

S. HRG. 113-538

**NOMINATIONS OF DARCI L. VETTER,
STEFAN M. SELIG, HENRY J. AARON,
LANHEE J. CHEN, AND ALAN L. COHEN**

HEARING
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS
SECOND SESSION
ON THE
NOMINATIONS OF

DARCI L. VETTER, TO BE CHIEF AGRICULTURAL NEGOTIATOR, WITH THE RANK OF AMBASSADOR, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE; STEFAN M. SELIG, TO BE UNDER SECRETARY FOR INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE; HENRY J. AARON, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD (REAPPOINTMENT); LANHEE J. CHEN, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD; AND ALAN L. COHEN, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD

MAY 8, 2014



Printed for the use of the Committee on Finance

U.S. GOVERNMENT PUBLISHING OFFICE

92-748—PDF

WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FINANCE

RON WYDEN, Oregon, *Chairman*

JOHN D. ROCKEFELLER IV, West Virginia	ORRIN G. HATCH, Utah
CHARLES E. SCHUMER, New York	CHUCK GRASSLEY, Iowa
DEBBIE STABENOW, Michigan	MIKE CRAPO, Idaho
MARIA CANTWELL, Washington	PAT ROBERTS, Kansas
BILL NELSON, Florida	MICHAEL B. ENZI, Wyoming
ROBERT MENENDEZ, New Jersey	JOHN CORNYN, Texas
THOMAS R. CARPER, Delaware	JOHN THUNE, South Dakota
BENJAMIN L. CARDIN, Maryland	RICHARD BURR, North Carolina
SHERROD BROWN, Ohio	JOHNNY ISAKSON, Georgia
MICHAEL F. BENNET, Colorado	ROB PORTMAN, Ohio
ROBERT P. CASEY, Jr., Pennsylvania	PATRICK J. TOOMEY, Pennsylvania
MARK R. WARNER, Virginia	

JOSHUA SHEINKMAN, *Staff Director*
CHRIS CAMPBELL, *Republican Staff Director*

(II)

C O N T E N T S

OPENING STATEMENTS

	Page
Wyden, Hon. Ron, a U.S. Senator from Oregon, chairman, Committee on Finance	1
Stabenow, Hon. Debbie, a U.S. Senator from Michigan	3
Hatch, Hon. Orrin G., a U.S. Senator from Utah	4
Cardin, Hon. Benjamin L., a U.S. Senator from Maryland	7
Portman, Hon. Rob, a U.S. Senator from Ohio	9
Warner, Hon. Mark R., a U.S. Senator from Virginia	10
Brown, Hon. Sherrod, a U.S. Senator from Ohio	11

CONGRESSIONAL WITNESS

Johanns, Hon. Mike, a U.S. Senator from Nebraska	6
--	---

ADMINISTRATION NOMINEES

Vetter, Darci L., nominated to be Chief Agricultural Negotiator, with the rank of Ambassador, Office of the United States Trade Representative, Washington, DC	12
Selig, Stefan M., nominated to be Under Secretary for International Trade, Department of Commerce, Washington, DC	13
Aaron, Henry J., Ph.D., nominated to be a member of the Social Security Advisory Board for a term expiring September 30, 2014, and for a term expiring September 30, 2018 (reappointment), Social Security Administration, Baltimore, MD	15
Chen, Lanhee J., Ph.D., nominated to be a member of the Social Security Advisory Board for a term expiring September 30, 2018, Social Security Administration, Baltimore, MD	16
Cohen, Alan L., Ph.D., nominated to be a member of the Social Security Advisory Board for a term expiring September 30, 2016, Social Security Administration, Baltimore, MD	17

ALPHABETICAL LISTING AND APPENDIX MATERIAL

Aaron, Henry J., Ph.D.: Testimony	15
Prepared statement	29
Biographical information	30
Responses to questions from committee members	47
Brown, Hon. Sherrod: Opening statement	11
Cardin, Hon. Benjamin L.: Opening statement	7
Chen, Lanhee J., Ph.D.: Testimony	16
Prepared statement	48
Biographical information	49
Cohen, Alan L., Ph.D.: Testimony	17
Prepared statement	61
Biographical information	63
Responses to questions from committee members	74

IV

	Page
Hatch, Hon. Orrin G.:	
Opening statement	4
Prepared statement with attachment	76
Johans, Hon. Mike:	
Testimony	6
Portman, Hon. Rob:	
Opening statement	9
Selig, Stefan M.:	
Testimony	13
Prepared statement	82
Biographical information	84
Responses to questions from committee members	91
Stabenow, Hon. Debbie:	
Opening statement	3
Vetter, Darci L.:	
Testimony	12
Prepared statement	99
Biographical information	101
Warner, Hon. Mark R.:	
Opening statement	10
Wyden, Hon. Ron:	
Opening statement	1
Prepared statement	109

**NOMINATIONS OF DARCI L. VETTER, TO BE
CHIEF AGRICULTURAL NEGOTIATOR, WITH
THE RANK OF AMBASSADOR, OFFICE
OF THE UNITED STATES TRADE
REPRESENTATIVE; STEFAN M. SELIG, TO
BE UNDER SECRETARY FOR INTERNATIONAL
TRADE, DEPARTMENT OF COMMERCE;
HENRY J. AARON, TO BE A MEMBER OF THE
SOCIAL SECURITY ADVISORY BOARD
(REAPPOINTMENT); LANHEE J. CHEN, TO BE
A MEMBER OF THE SOCIAL SECURITY
ADVISORY BOARD; AND ALAN L. COHEN,
TO BE A MEMBER OF THE SOCIAL SECURITY
ADVISORY BOARD**

THURSDAY, MAY 8, 2014

**U.S. SENATE,
COMMITTEE ON FINANCE,
*Washington, DC.***

The hearing was convened, pursuant to notice, at 10:05 a.m., in room SD-215, Dirksen Senate Office Building, Hon. Ron Wyden (chairman of the committee) presiding.

Present: Senators Stabenow, Cardin, Brown, Warner, Hatch, Grassley, Crapo, Thune, Isakson, and Portman.

Also present: Democratic Staff: Joshua Sheinkman, Staff Director; Michael Evans, General Counsel; Jocelyn Moore, Deputy Staff Director; Tiffany Smith, Senior Tax Counsel; Tom Klouda, Senior Domestic Policy Advisor; Jayme White, Chief Advisor for International Competitiveness and Innovation; and Anderson Heiman, International Competitiveness and Innovation Advisor. Republican Staff: Chris Campbell, Staff Director; Everett Eissenstat, Chief International Trade Counsel; Jeff Wrage, Chief Economist; and Nicholas Wyatt, Tax and Nominations Professional Staff Member.

**OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR
FROM OREGON, CHAIRMAN, COMMITTEE ON FINANCE**

The CHAIRMAN. The Finance Committee will come to order. Today the committee has before it five nominees, all of whom have exceptional backgrounds and expertise in their fields. Their commitment to public service is truly admirable and an example for all to follow.

First up will be Stefan Selig, who is nominated to be Undersecretary of Commerce for International Trade. In this role, Mr. Selig would oversee the International Trade Administration at the Department of Commerce. ITA's focus is on the competitiveness of American businesses. The agency plays a key role in American trade policy by working with the private sector to identify export and investment opportunities and by enforcing our trade remedy laws that are central to combating unfair trade.

Mr. Selig is well-suited to take on this challenge. He knows how to navigate the global economy, and he understands what our businesses need to be competitive. If confirmed, he must ensure that we step up enforcement of our trade remedy laws.

Next, we will hear from Darci Vetter, a Finance Committee alum who has been nominated to be Chief Agricultural Negotiator at the Office of the United States Trade Representative. If confirmed, Ms. Vetter will have the important task of being the lead trade negotiator to take on the tariff and nontariff barriers that are imposed all over the world on American agricultural exports.

Our country has an ambitious trade agenda, with important agricultural negotiations taking place among the world's biggest and most dynamic markets. It will be important for the United States to have a skilled hand in these negotiations, and Darci, in my view, is the right person at the right time.

Right now, for example, our country is in the middle of important yet challenging negotiations with Japan and other Trans-Pacific Partnership participants regarding America's most important agricultural crops: wheat—especially important to my home State of Oregon—dairy, and poultry. We will be relying on Darci to push for the comprehensive and ambitious outcome that our farmers and our producers expect and our economy needs.

Also with us are three nominees for the Social Security Advisory Board: Drs. Henry Aaron, Lanhee Chen, and Alan Cohen.

The Board is responsible for advising the President and the Congress on Social Security policy, and regularly makes important policy recommendations to enhance economic security for individuals, to maintain the solvency of the Social Security programs, and to improve services for seniors and other beneficiaries. In my view, all three have excellent credentials and, if confirmed, would bring an impressive and diverse set of perspectives to the Board.

The Board plays a key role in the Social Security policy process, producing top-notch bipartisan reports on a range of issues, and yet the Board has not had a full seven members since September of 2008. This is unacceptable, given the numerous challenges facing the program today and in the future. The Congress certainly shares some of the blame here, but we now have a chance to set things right.

First we have Henry Aaron. Dr. Aaron has had an illustrious career in both the public sector and academia, including over 45 years with the Brookings Institution. I commend the President for this excellent choice.

Dr. Aaron is one of the country's foremost experts on Social Security, and his many publications and contributions to the program make him an invaluable asset. And it is with a bit of disappointment that I note that this is Dr. Aaron's second appearance before

the committee. His previous nomination was the first ever to have votes against it in committee, and I think that is regrettable.

We have three nominees before us today. In my view, they are all well-qualified and hold strong views. Individual Senators may disagree with those views, but that disagreement should not cause the committee to oppose their service on this important and, I would note, bipartisan Advisory Board. I urge my colleagues to support all three nominees so we can get the Board back to full strength.

Next is Mr. Lanhee Chen, also nominated to the Social Security Board. Dr. Chen, in my view, has a stellar academic record and has made valuable contributions in a number of policy fields, including Social Security. If confirmed, he will bring a distinct and valuable perspective to the Board.

Finally, we have Alan Cohen. Dr. Cohen has had a long and prestigious career in public service. We all know him from these very rooms, from the halls outside the Finance Committee. We thank him for his decade of service here on the Finance Committee.

His knowledge of budgetary matters and Social Security is simply unmatched, and I know that personally, because I have asked for his counsel on many occasions. His wide range of experiences in both the Congress and the Federal Government give him a level of expertise and insight the Board will surely benefit from.

In short, all of the nominees here today are well-qualified to take on the challenging tasks before them, and my hope is that they will be confirmed as soon as possible.

Senator Hatch, our ranking member, is not here. When he arrives, he will give his opening statement, so I want all witnesses and members to know that when Senator Hatch arrives, he will give his opening statement.

[The prepared statement of Chairman Wyden appears in the appendix.]

The CHAIRMAN. I would also like to note that Senator Stabenow is very much under the gun today and would like to say a few words. She, of course, is the chair of the Agriculture Committee. And I think you wanted, Senator Stabenow, to say a few words about Ms. Vetter and your relationship with her.

OPENING STATEMENT OF HON. DEBBIE STABENOW, A U.S. SENATOR FROM MICHIGAN

Senator STABENOW. I did. Well, thank you, Mr. Chairman, for allowing me. We all juggle committees, and today I am doing that.

And I just first want to say that I strongly support all of our nominees and welcome you to the committee. It is great to see also Senator Johanns, a distinguished member of our Agriculture Committee, who, by the way, was a leading voice in establishing a new trade leader within USDA. So it is wonderful to have you with us.

But I did, Mr. Chairman, want to speak specifically about Ms. Vetter, Darci Vetter. We are so fortunate to have her today, and I am happy to join the 97 farm and food organizations who have endorsed her nomination.

I witnessed firsthand in Brazil last summer, traveling with Darci and with the Secretary, as well as during the Farm Bill negotia-

tions, her skill and the fact that she is a fierce advocate for farmers and ranchers and rural communities.

And so we have a lot of challenges. You and I have had the opportunity—I appreciate it—in my office to talk about what is happening as it relates to Asia, Europe, South America, and all the other areas.

I am very, very confident in Ms. Vetter's abilities, and so, just to my colleagues on the committee, I wanted to lend a strong endorsement of support.

Thank you, Mr. Chairman.

The CHAIRMAN. Our colleague, Senator Hatch, is here, and we would welcome his remarks. And, as we have done since I became chair, we are going to work on these nominees in a bipartisan way. That is the way we are going to work on everything here.

Senator Hatch, we welcome your statement.

**OPENING STATEMENT OF HON. ORRIN G. HATCH,
A U.S. SENATOR FROM UTAH**

Senator HATCH. Well, thank you, Mr. Chairman. I appreciate you and your openness. I want to thank you for holding today's hearings. And I also want to thank our nominees for joining us. And to begin, I would like to talk about our trade nominees.

I believe both of these nominees are extremely qualified and well-suited to the tasks ahead of them. Mr. Selig, let me start with you.

As you know, I, along with former Chairman Baucus and Chairman Camp, introduced the bipartisan Congressional Trade Priorities Act of 2014 in January. Commerce Secretary Pritzker recommended the introduction of the bill and said that it would, quote, "help in efforts to expand market access for American businesses, ensure a level playing field for companies selling their goods abroad, and support the creation of more American jobs," unquote.

Unfortunately, the rest of the administration has not been so vocal. As you know, Trade Promotion Authority, which our bill would renew, is how Congress establishes the objectives for U.S. trade negotiations, sets consultation requirements for the administration, and assures our trading partners that a completed deal will have a path for consideration by Congress.

And frankly, Mr. Selig, without TPA, the President's trade agenda, which is extremely ambitious, will fail. I hope you share this sense of urgency and that, if confirmed, you will be a strong advocate for renewing TPA in short order.

Now, Mr. Chairman, if I might, I would like to make one observation about Mr. Selig's nomination that should not go unnoticed. As I understand Mr. Selig's background, he worked as a top executive at Bank of America during the most recent financial crisis. At times he received bonuses for the work he performed there, and, as we all know, many who worked on Wall Street in a similar capacity have been castigated by President Obama and by Democrats in Congress, often labeled as, quote, "fat cats" and the like.

On top of that, Mr. Selig has significant investments in overseas accounts. We have learned that Mr. Selig was an investor in a partnership called, "Sun Capital Partners V," which in 2010 was

domiciled in the Walker House of 87 Mary Street, George Town, Grand Cayman, Cayman Islands. In 2012, this partnership was domiciled at the now-infamous Ugland House. Mr. Selig's Schedule 2012 K-1 notes that the value of his ending capital account was \$721,802.

Mr. Selig was also invested in a partnership called Conversus Capital, of Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands. Mr. Selig's Schedule 2012 K-1 notes that the value of his ending capital account was \$1,123,523. Now, this is not the first of President Obama's nominees to come before this committee to have these types of earnings and investments, all of whom were gladly and unanimously supported by my friends on the other side of the aisle.

Now, let me be clear. I do not believe that Mr. Selig has done anything wrong. I do not condemn those who make their living on Wall Street, and as long as they have paid their taxes, I do not have a problem with anyone who makes a foreign investment. However, the obvious hypocrisy of the President and some of his supporters in Congress should not go unnoticed. Indeed, we all remember during the 2012 campaign when President Obama characterized these types of investments as, quote, "betting against America."

Now, I suspect that the vast majority of Democrats in the Senate will vote to confirm Mr. Selig, as they should, and as I will. I think we are lucky to have people of his qualifications in these jobs. Yet I doubt that the class warfare rhetoric against Wall Street, against success in the private sector, and against overseas investments, will slow down at all.

Like I said, this is not a knock against Mr. Selig, or anyone else, for that matter. I simply believe that the inconsistency and unfair, open attacks often levied against people who have done similar work in the private sector should not go unnoticed.

That said, let us move on to talk about Ms. Vetter's nomination. Ms. Vetter, as you know from your current position as Deputy Undersecretary at the Department of Agriculture, the tasks ahead of the Chief Agricultural Negotiator are really daunting.

The success of the Trans-Pacific Partnership hinges on achieving a full and comprehensive agreement on agricultural products with Japan. And this is what has me concerned. Japan has reportedly sought to exclude more than 500 agricultural product tariff lines from eventual tariff elimination, and this would be unprecedented. The United States is party to 17 free trade agreements, and only 33 tariff lines have ever been excluded from tariff reduction.

Now, that is 33 lines total, across all 17 free trade agreements. Japan is seeking more than 500 in a single agreement. Now, other nations are undoubtedly watching how the U.S. will address this issue. If Japan is allowed to exclude products from liberalization, other TPP countries will soon follow, resulting in an even weaker agreement. The member states of the European Union are also watching. If the administration makes concessions to Japan, every other nation we negotiate with well into the future will demand similar treatment.

Well, if confirmed, I hope you will be able to achieve a breakthrough with Japan soon. It is far more important to get this deal

right than to get it done now, and I expect you will continue negotiating until you have reached an agreement on full and comprehensive liberalization with Japan.

These are just some of the issues you will have to deal with as our Chief Agricultural Negotiator. I do not envy you, in many ways. I look forward to hearing your views on these matters during today's hearing.

Finally, Mr. Chairman, three of the nominees before us are for positions on the Social Security Advisory Board. These are important positions, particularly given the challenges facing the Social Security system. Of course, Dr. Aaron has already appeared before us, having been previously nominated to serve as Chairman of the Advisory Board. My previous comments on his nomination still hold, and out of a desire to ensure that partisanship be kept at a minimum on the Board, I do not intend to support Dr. Aaron's re-nomination.

Mr. Chairman, I ask permission that my prior remarks about Dr. Aaron's nomination be included in the record at this point.

The CHAIRMAN. Without objection, so ordered.

Senator HATCH. Thank you, Mr. Chairman.

[Senator Hatch's remarks appear in the appendix on p. 79.]

Senator HATCH. Our other two nominees to the Social Security Advisory Board, Dr. Chen and Dr. Cohen, like our two trade nominees, appear to be well-qualified and well-suited to serve in this important capacity. I look forward to hearing from them today.

And, as you can see, Mr. Chairman, we have a lot on our plate today, so I want to thank you again for your leadership in these areas. I think it means a lot to our country.

The CHAIRMAN. Thank you, Senator Hatch.

[The prepared statement of Senator Hatch appears in the appendix.]

The CHAIRMAN. And our first nominee will be Darci Vetter, nominated for Chief Agricultural Negotiator with the Office of the U.S. Trade Representative. We would like you—it is a tradition here at the Finance Committee to introduce your family, Ms. Vetter.

Ms. VETTER. I am pleased to have with me today my husband, Jason Hafemeister, to support me, and I am very thankful for his sacrifice, support, and his flexibility as we both pursue two careers and support two small children. So thank you.

The CHAIRMAN. Emphasis on flexibility. [Laughter.]

Ms. VETTER. Exactly.

The CHAIRMAN. And we are glad that you all are here. And suffice it to say, Ms. Vetter, you have one of our most respected colleagues—you are certainly running with the right crowd when you have Senator Johanns with you. And I think we would like him to introduce you at this time.

STATEMENT OF HON. MIKE JOHANNS, A U.S. SENATOR FROM NEBRASKA

Senator JOHANNS. Well, thank you, Mr. Chairman.

Mr. Chairman and Ranking Member Hatch and members of the Finance Committee, I greatly appreciate the opportunity to be here this morning to introduce a friend and a colleague through the years, Darci Vetter.

Darci grew up on a farm near Marquette, NE, and I might add, it is still operated by the Vetter family. Her background is enormously impressive. She has worked on agricultural trade issues at USTR, and I might add, on this committee and now at the United States Department of Agriculture.

Now USTR wants her back, and I have to tell you that is with very, very good reason. I have seen firsthand Darci's commitment to U.S. agriculture, starting when I was the Secretary of Agriculture in 2005. We worked together on negotiating and implementing trade agreements, breaking down trade barriers, and promoting United States agriculture.

She helped to build the strong link between USTR and USDA, which is absolutely critical for trade negotiations. I am confident that she will once again be a bridge-builder and be a great asset to USTR and, more significantly, to United States agriculture in general.

We need to open more markets around the world to our products. She is the person for the job. She is bright, she is capable, she knows agriculture, she knows trade, and she is up to the challenge.

So I want to wish Darci the best. I urge the committee to support her nomination for Chief Agricultural Negotiator at USTR, as I will enthusiastically do myself.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Johanns. I share your views about Ms. Vetter, and she is lucky to have you in her corner. And we thank you.

Our second nominee is Mr. Stefan Selig, nominated to be Undersecretary of Commerce for International Trade. Mr. Selig, can you introduce your family?

Mr. SELIG. Yes, Senator, thank you.

I have with me today my wife of 13 years, Heidi Selig, seated right behind me.

The CHAIRMAN. Very good. Welcome.

Next up we have Henry Aaron, nominated for the Social Security Advisory Board. Dr. Aaron, I understand you have your family here.

Dr. AARON. Part of my family. My wife is here. My wife of 51 years, Ruth—who is seated immediately behind me, backing me up as usual, as I try to back her up.

The CHAIRMAN. Very good. And I think Dr. Aaron will now be introduced by Senator Cardin.

Senator Cardin?

**OPENING STATEMENT OF HON. BENJAMIN L. CARDIN,
A U.S. SENATOR FROM MARYLAND**

Senator CARDIN. Well, Mr. Chairman, thank you very much. And there are two reasons that I am very pleased to introduce Dr. Aaron.

First, Dr. Aaron resides in the District of Columbia, which does not have resident Senators. The land was originally from Maryland, so Senator Mikulski and I at times adopt those from the District as our own. I know that Senator Warner may take some exception to that. [Laughter.] But in this case, I am very honored to introduce Dr. Aaron.

I have known Dr. Aaron for many, many years, and I want the leadership of this committee to know that I have considered Dr. Aaron to be a straight-talker, working with members of Congress on both sides of the aisle, trying to build bridges to deal with not only the short-term needs of the Social Security program, but also the longer-term needs. I value his recommendations and judgment and find him to be, as I said, a person of incredible knowledge, as the chairman pointed out.

He has had a long and distinguished career in public service, research, and education. He first joined Brookings Institution's staff in 1968, and he is currently the Bruce and Virginia MacLaury Senior Fellow in economic studies.

Let me just point out some of his incredible career. As we all know, he has been chair of the board of directors of the National Academy of Social Insurance. He has authored eight books on Social Security and retirement policy and countless thoughtful and eloquent articles on this topic. The breadth and depth of his knowledge are well-known by national policy-makers who seek his expertise and his ideas on improving Social Security and Americans' retirement security, and I think he is the ideal nominee.

I want to point out that he previously has been on the faculty at the University of Maryland. Whenever I can get a plug in for the University of Maryland, I will.

He has served as Assistant Secretary for Planning and Evaluation in the predecessor of the Department of Health and Human Services. During the academic year 1996 to 1997, he was the Guggenheim fellow at the Center for Advanced Study in the Behavioral Sciences at Stanford University.

He graduated from UCLA, and he holds a Ph.D. in economics from Harvard University. He is a member of the Institute of Medicine, the Academy of Arts and Sciences, and the advisory committee at Stanford Institute for Economic Policy Research. I could go on and on and on.

He is not only well-qualified, he has been involved in our political system to try to make a difference in a positive way, in a thoughtful, academic way, and I think he is ideally suited for the position he seeks. And I thank him and all of our nominees for being willing to continue in public service.

The CHAIRMAN. Thank you, Senator Cardin. And I am also struck by the fact that, because of your expertise on these issues, I think your viewpoints count a great deal. And one of the reasons that I think your views are listened to is because you have shown great bipartisanship over the years, particularly with Senator Portman, going back to the days when we were all in the House. And I very much appreciate that, and I think it also highlights the bipartisan focus here this morning, because our next nominee for the Social Security Board is Lanhee Chen.

And, Dr. Chen, can you introduce your family?

Dr. CHEN. Yes, thank you, Mr. Chairman.

I am very grateful to have many members of my family here from California. This is my wife, Cynthia. With due respect to the gentlemen on the panel, I think the best-dressed guy in the room is my 3-year-old son Tobin, who is here with us today as well. [Laughter.]

The CHAIRMAN. That is saying something. Senator Hatch is pretty dapper. [Laughter.]

Dr. CHEN. It is. With apologies to Senator Hatch as well.

My brother Julius is next to her, and then my parents, Dr. and Mrs. Chung-Lien and Ya-Mei Chen, are also here from California.

The CHAIRMAN. We are glad that the extended Chen family is here.

Senator Portman, we are glad you are going to introduce Dr. Chen.

**OPENING STATEMENT OF HON. ROB PORTMAN,
A U.S. SENATOR FROM OHIO**

Senator PORTMAN. Thank you, Mr. Chairman and Senator Hatch, for letting me do that. And although the California members may take offense, we have to consider Dr. Chen to be an honorary Buckeye, which I will get to in a moment, because he has Ohio roots, ultimately.

But I am really glad that Lanhee is willing to do this. He is a talented guy. I have had the pleasure to work with him over the years. This is a really important appointment, serving on this Board at this time. And I am glad Dr. Aaron is also willing to step forward, whom Ben Cardin and I have both worked with over the years.

We do face these rising entitlement costs. We do have to do something about the long-term viability of these programs. We need smart people who are willing to look at this objectively and to help ensure that future generations can rely on this important program. And it is at a time when, frankly, the country faces dire financial straits outside of Social Security, which makes it even more difficult. So I am delighted he is willing to do it.

I want to mention, if I could, the fact that his 3-month-old daughter, Adeline, is not with us, but she is also part of the supportive team. And apparently she was not too happy about that, either, not being invited today.

But his family is just the classic American story. This family you see behind him here, his parents immigrated from Taiwan in the 1970s, and they came here to seek opportunity, to finish their educations. They came separately, but it was the State of Ohio that brought them together. And they met while his mom was earning her master's degree at the University of Akron and his dad was working on his medical training in Ohio to be a doctor. So, again, we consider Lanhee to be an honorary Buckeye. And here they are, sitting behind you and witnessing the first step in their son becoming a presidential nominee.

It is easy to see why Lanhee has been asked to do this. He is a guy who has a great background. He is a research fellow at the Hoover Institution, and he teaches at Stanford's Public Policy Law School. He has a great academic background in health care and has also been involved in retirement security and Social Security. He has been a policy advisor for a lot of high-profile political leaders.

And his educational background is not too bad, either. He got a bachelor's degree from Harvard; he got a master's degree from Harvard; he got a doctorate from Harvard; he got a law degree from

Harvard. He spent enough time in Cambridge to be given tenure at Harvard. [Laughter.]

But this extensive background and his intelligence and expertise will be really valuable as we look at one of our most pressing issues that we must address. So I am very proud to be here to introduce him and to support his nomination to be a member of the Social Security Advisory Board.

And if you could, Mr. Chairman, indulge me for a second, because Darci Vetter is here. And both Darci and her husband, Jason, I had the honor of working with at USTR, and they were two of the real stars at an agency that does attract some of the best and brightest. Even there, they stood out.

So again, good luck to you, Ms. Vetter, in your nomination. And good to see Jason back here in the halls of Congress.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Portman.

Dr. Chen, I would only say, with that kind of ringing endorsement from Senator Portman, you can almost take the rest of the day off. [Laughter.] Not quite, but almost. So we are happy to have Senator Portman's comments.

And now our final nominee for the Social Security Advisory Board is Alan Cohen. Dr. Cohen, introduce your family, if you would.

Dr. COHEN. Thank you very much, Mr. Chairman. My brother, Barry Cohen, is here. My partner, Valerie Nelkin is here. My friend, Arthur Friedman is here, and my friends Pat Malloy and Jim Frisk are in the audience as well.

The CHAIRMAN. The Cohen caucus. We are glad they are here. I think Senator Warner is going to introduce Dr. Cohen.

OPENING STATEMENT OF HON. MARK R. WARNER, A U.S. SENATOR FROM VIRGINIA

Senator WARNER. Yes, I will. Thank you, Mr. Chairman. Let me just echo one thing that Dr. Chen has said, and I say this with some trepidation, being this far down the aisle. I would normally agree that Senator Hatch is far and away the best-dressed, but looking at Dr. Chen's son, Orrin, he has a mean vest and a pocket square that any of us would be proud of, and I am not sure even you could carry off.

Senator HATCH. I am really embarrassed with the clothing I wore today. [Laughter.]

Senator WARNER. Let me say something about my friend, Alan Cohen, who may not be at the same sartorial level, but brings other extraordinary talents, as has already been indicated by the chairman.

I have known Alan for many, many years. We both live in Alexandria; he has been active in the community in a variety of ways. As you have already pointed out, Alan has an outstanding 33-year career as a public servant, where he has worked on Social Security and budget issues in many different areas and many different capacities in government.

I have had the opportunity to actually work with him at a local level in Alexandria, where he has helped our local city work on budget issues. Obviously, many on this committee are familiar with

him because of his work with both the Senate Budget Committee and the Finance Committee.

He has served in the executive branch at both Treasury and HHS. He has worked under two administrations, both the Carter administration and the Reagan administration. Obviously, there are very few folks who have that kind of background and tenure and knowledge around budget issues, around entitlement issues, around Social Security issues. I think he is going to be a great member of this Advisory Board.

And I would echo what Senator Portman said, as someone who recognizes that these programs, particularly Social Security, may be the best programs any government in any nation has ever implemented. But unfortunately, the math around them is changing dramatically because of the aging of our population. And we are going to need bipartisan advice as we try to make sure that we maintain the promise of Social Security for future generations.

So again, Alan is well-known to this committee, and I recommend him wholeheartedly.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Brown, I know, is under a time crunch this morning as well, and he would like to make some quick comments.

**OPENING STATEMENT OF HON. SHERROD BROWN,
A U.S. SENATOR FROM OHIO**

Senator BROWN. Since every other member has introduced somebody and I do not have anybody left——

The CHAIRMAN. You feel deprived.

Senator BROWN. Ms. Vetter was actually born in Kettering, OH, so—you left that one out, Rob. [Laughter.]

Anyway, I appreciate the chance to just say 2 minutes of comments about this hearing and this Social Security Advisory Board.

I am concerned about this Board, really since the attempts at privatization of Social Security in the middle part of the last decade. I am concerned about the sort of too-fractious nature of the Social Security Advisory Board. It is not always able to reach the consensus that it used to reach.

I carry a letter in my pocket, to the grandfather of an employee in my office, sent December 1936 from his employer in Pennsylvania about the beginnings of Social Security. We are going to start taking 1 percent out of your salary, then 2 percent, 3 percent, and you are going to get this money back when you are 65—although most people did not live to 65 then. Think about how controversial that was.

But the point is, we came to consensus in this country on Social Security. I understand what Senator Warner and Senator Portman said about what some call the sustainability. But I also know we know how to fix these things.

My admonition to the three nominees is that you work hard on consensus, coming to consensus, in that committee; that we do not see abstentions. You put such important information out for the public, on big issues and smaller issues, and we really do rely on that, policy-makers and the public.

And what you publish outside of your job—I mean, a number of you. All of you are articulate, very smart spokespeople for what you believe in. But it is important that when you make these statements, if it undermines Social Security as a public social insurance program, if your comments do that, you are doing it as a member of this Advisory Board, even if you are doing it as a private citizen.

So that is my admonition to the three of you, that I hope you will always consider carefully what you publish outside of your specific job here on the Advisory Board, and that you will work to reach consensus. I hope you will make a special effort to do that.

Thank you.

The CHAIRMAN. Thank you, Senator Brown.

Senator Grassley is the only Senator who has not had anything to say. Would you like to wait for questions, or would you like to say anything? Senator Grassley will wait for questions. Very good.

Let us proceed then with Ms. Vetter. We thank all of our nominees. Our usual practice is that all of your prepared statements will automatically be made part of the record. If you could take 5 minutes or so to summarize, we will start with Ms. Vetter, and we will go right down the line.

Ms. Vetter?

STATEMENT OF DARCI L. VETTER, NOMINATED TO BE CHIEF AGRICULTURAL NEGOTIATOR, WITH THE RANK OF AMBASSADOR, OFFICE OF THE U.S. TRADE REPRESENTATIVE, WASHINGTON, DC

Ms. VETTER. Thank you very much. Chairman Wyden, Ranking Member Hatch, and members of the Senate Finance Committee, thank you so much for welcoming me here today. And Senator Johanns, I thank you for that kind introduction earlier.

I am very honored to be considered by this committee as President Obama's nominee to be the Chief Agricultural Negotiator at the Office of the U.S. Trade Representative.

I want to reiterate my thanks and to recognize my husband, Jason Hafemeister, who is with me this morning. He is a fantastic partner, as we both pursue careers in public service and raise our two beautiful children. I also have close friends, Marney Cheek, Carissa Kovner, and Liz Rider here with me this morning.

As an alumna of the Senate Finance Committee, I have had the great privilege of working with many of the members and the staff on this committee. And, during my time at USTR working on agricultural and environmental issues, and at USDA as the Deputy Under Secretary for Farm and Foreign Agricultural Services, it has always been clear to me that the executive branch and Congress must maintain a close working relationship on trade issues. This is a relationship I intend to strengthen in my new capacity, should I be confirmed.

I grew up on a family farm in Nebraska, where my family also operates a grain processing business that exposed me to the benefits of trade at a very early age. In the 1980s, at a time when many farmers were moving off the farm, my family found foreign markets to sustain our family business. Some of our first foreign customers were tofu makers in Japan who were willing to pay a premium for our high-quality soybeans. Today, our family business has nearly

30 employees, thanks in part to open and reliable overseas markets.

Through both my personal and my professional experiences, I have witnessed firsthand the benefits of trade for American agricultural producers. I am committed to leveling the playing field for our farmers and ranchers and holding our trading partners accountable by enforcing trade rules to ensure our products are treated fairly. Using all the tools at our discretion, including the Dispute Settlement Body at the World Trade Organization, I intend to press our trading partners to make decisions based on science and to eliminate unwarranted sanitary and phytosanitary measures that restrict safe, wholesome U.S. agricultural products from entering their markets.

The United States is the world's largest agricultural export economy. U.S. food and agricultural exports reached an all-time high in 2013, accounting for \$148 billion in exports, but I believe there is much more that we can accomplish.

If confirmed, I am excited to join a dedicated team that is working on one of the most ambitious trade agendas in decades. The trade agenda holds great potential for made-in-America agricultural goods. I am committed to advancing our ongoing negotiations in TPP and in TTIP, where we are pursuing high-standard trade agreements that will create significant new market access opportunities for U.S. agriculture. Eliminating tariffs and unwanted SPS and technical barriers to trade on agricultural products will ensure that our producers can continue to export high-quality, safe American food and agricultural products.

Finally, I look forward to working with you, Chairman Wyden, Ranking Member Hatch, and the members of this committee, to secure Trade Promotion Authority that has as broad a bipartisan support as possible. If confirmed, I look forward to working with Ambassador Michael Froman and Congress to further opportunities around the world for U.S. agriculture.

Again, I thank the President for this opportunity and the committee for considering my nomination, and I am happy to answer any questions you might have.

Thank you.

The CHAIRMAN. Thank you, Ms. Vetter.

[The prepared statement of Ms. Vetter appears in the appendix.]

The CHAIRMAN. Mr. Selig?

STATEMENT OF STEFAN M. SELIG, NOMINATED TO BE UNDER SECRETARY FOR INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE, WASHINGTON, DC

Mr. SELIG. Chairman Wyden, Ranking Member Hatch, and members of the committee, I am honored to be under consideration for Under Secretary of Commerce for International Trade.

During the past weeks, I have had the opportunity to meet with many of you to discuss international trade and investment and the International Trade Administration which, if confirmed, I would have the privilege of leading. Thank you for your time and for sharing your thoughts and insights.

As we seek to strengthen our Nation's recovering economy by creating jobs through expanded trade, increased business investment,

and the enforcement of fair trade practices, your ongoing partnership will be critical, and I look forward to working with you, if confirmed.

I bring nearly 30 years of business and finance experience, working with companies in the private sector to create value. And I am honored that President Obama and Commerce Secretary Pritzker believe that I have the talent, energy, and ability to lead the ITA, the premier government resource for American companies competing in the global marketplace.

Throughout my career, I have built and maintained trusted strategic relationships with executives from companies around the world. I have advised clients across all industries on how to take advantage of global investment opportunities, and I have worked closely with companies as they have combined their businesses to form new ventures. I have negotiated complex agreements, facilitated transformational deals, and developed partnerships among global entities. This background would serve me well if I were to be confirmed as Under Secretary of Commerce for International Trade.

In addition, my experience directing teams across geographic regions while serving as executive vice chairman of global corporate and investment banking at Bank of America should be highly useful in managing an organization of more than 2,100 dedicated public servants in more than a hundred cities across our country and 77 countries throughout the world. If confirmed, I will work closely with ITA's experts to develop strategies to increase U.S. exports, boost growth, and support good jobs throughout the United States.

With 95 percent of the world's consumers residing outside of our borders, it is critical that we get U.S. businesses, especially small and mid-sized companies, to expand their strategic vision to include opportunities in the global markets. The health of the American economy and the American worker is more closely tied to global markets than ever before, and our country can no longer rely on just our domestic markets for growth and jobs. We can and should be exporting more.

An additional responsibility of the position for which I have been nominated is to attract, retain, and expand foreign direct investment in the United States. While the United States remains the world's largest economy and the most popular destination for foreign investment, there are a number of positive secular trends that should allow us to attract even more inbound investment to the United States.

My career has been spent advocating for my clients so they can accomplish their strategic goals, and, if confirmed as Under Secretary, I will employ this very same impassioned advocacy as a voice for U.S. businesses and workers, economic development organizations, municipalities, communities, and other organizations.

Finally, if confirmed, I will ensure that Commerce continues and builds upon its commitment to the strong enforcement of our trade laws, ensuring that our domestic industries and workers are not harmed from unfairly traded imports or unfair trade practices. I will also work to address and remove trade barriers that impede U.S. exporters and investors from competing fairly abroad.

In closing, I believe very strongly that we must do everything we can to help American companies, regardless of their size, succeed in the global marketplace. We also must continue to reinforce the message that American goods and services are second to none and that the United States remains the most attractive destination for business investment.

I am truly honored to be considered for the opportunity to serve my country as Under Secretary of Commerce for International Trade, and I look forward to taking your questions.

The CHAIRMAN. We will have some momentarily.

[The prepared statement of Mr. Selig appears in the appendix.]
The CHAIRMAN. Dr. Aaron?

STATEMENT OF HENRY J. AARON, Ph.D., NOMINATED TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD, SOCIAL SECURITY ADMINISTRATION, BALTIMORE, MD

Dr. AARON. Thank you very much.

Senator Wyden, Senator Hatch, committee members, I too am honored and pleased to have been renominated by President Obama for membership on the Social Security Advisory Board. And I am grateful to this committee for holding these hearings, not only on my nomination, but also on Dr. Cohen's and Dr. Chen's. I very much hope that the committee and the full Senate will confirm all three of us so that the Board once again will have a full complement of members.

My interest in Social Security is now in its 6th decade. It began with my doctoral dissertation, completed in 1963. I have worked on many subjects over my career, including tax policy, housing policy, government budget issues and health care policies. I have a list of my work on Social Security, culled from my resume, which I ask be included in the record, along with my remarks.

The CHAIRMAN. Without objection, Dr. Aaron, that will be included.

[Dr. Aaron's list of work on Social Security appears in the appendix on p. 43.]

Dr. AARON. Thank you.

The most recent addition to that list is a paper I presented at a conference of international experts on the challenges posed by population aging, sponsored by Japan's Ministry of Finance and the Asian Development Bank, which met in March, at which I was asked to represent the United States.

I believe that my work on topics in addition to Social Security is an asset that enables me to consider the issues of Social Security policy in the broad budget and policy context, not as an isolated entity.

My career has also included many activities in addition to that, in teaching and research. Early in my career, during the administration of President Richard Nixon, I was appointed by then-Secretary of Housing and Urban Development Carla Hills to chair a review committee on housing allowance experiments, the precursor of section 8 housing. I chaired the 1979 Advisory Council on Social Security, a bipartisan panel then appointed every 4 years to review Social Security issues. That was the precursor of the Social Security Advisory Board.

I now serve as one of four academic members and roughly 30 venture capitalists and senior business executives who advise the Stanford Institute of Economic Policy Research on its research agenda. And I was a trustee of the College Retirement Equity Fund, a member of the Board of Trustees of the Georgetown University, and a member of the Board of Directors of Abt Associates, a private social science research and consulting firm with current sales of a bit over \$500 million a year.

I mention these activities because, like the Social Security Advisory Board, those positions required the ability to interact with strong-minded people of diverse views, to express one's views forthrightly, and yet to work together collegially.

Once again, I want to thank you for considering my nomination. I look forward to responding, to the best of my ability, to any questions you may pose.

The CHAIRMAN. Dr. Aaron, thank you very much.

[The prepared statement of Dr. Aaron appears in the appendix.]

The CHAIRMAN. Dr. Chen, welcome.

STATEMENT OF LANHEE J. CHEN, Ph.D., NOMINATED TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD, SOCIAL SECURITY ADMINISTRATION, BALTIMORE, MD

Dr. CHEN. Thank you. Chairman Wyden, Ranking Member Hatch, and members of the committee, thank you for the opportunity to appear before you today. I am honored by the trust that President Obama has placed in me, and I am proud to be a nominee to the Social Security Advisory Board. I am grateful to Senator Portman for his kind introduction and to Senate Minority Leader McConnell for the support he has shown to me throughout this process.

You have met my family already this morning. I am grateful for their constant encouragement, love, and support, which have made this day possible. With me today also is a good friend of mine, Sean Memon.

The Board plays an important role in providing key policy-makers, including the President and members of this committee, with plausible policy alternatives to ensure the solvency of Social Security and related programs, the promotion of economic security in retirement, and proper coordination between efforts to ensure health and economic security for America's seniors and disabled. These are all highly laudable goals and ones I look forward to promoting, if favorably reported by this committee and confirmed by the United States Senate.

I believe that I possess the necessary experience, expertise, and judgment to serve as a member of the Social Security Advisory Board. I am currently a research fellow at the Hoover Institution and hold teaching appointments in the public policy program and the law school at Stanford University. Over the course of my professional career, I have addressed specific proposals to ensure the solvency of the program, studied potential reforms to Social Security at some of the country's leading policy research institutions, and taught at the university level about entitlement reform.

I offer a unique perspective, relative to other members of the Board, by virtue of the fact that Social Security benefits are likely

at least 30 years away for me. Many in my generation and those younger than me are concerned about the future of the program. Reforming the program to ensure its solvency for my generation and beyond is a particular interest and concern of mine.

Finally, I believe that the Board can play an important role in strengthening the Social Security, Disability Insurance, and Supplemental Security Insurance, or SSI, programs. But it can only play this role if members of the Board perform their duties with an eye toward consensus-building, bipartisanship, and with mutual respect for one another's views.

I look forward to working with my colleagues on the Board, the President, the Commissioner of Social Security, members of this committee, the U.S. Congress more generally, and interested stakeholders, should I be confirmed.

Thank you again, Mr. Chairman, Senator Hatch, and members of the committee, for the privilege of appearing before you today. I look forward to earning your support and will be pleased to respond to your questions.

The CHAIRMAN. Dr. Chen, thank you.

[The prepared statement of Dr. Chen appears in the appendix.]

The CHAIRMAN. Dr. Cohen?

STATEMENT OF ALAN L. COHEN, Ph.D., NOMINATED TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD, SOCIAL SECURITY ADMINISTRATION, BALTIMORE, MD

Dr. COHEN. Chairman Wyden, Ranking Member Hatch, Senator Warner, who is not with us at the moment, and the other Senators on the Finance Committee, it is a great honor to appear before you today as a nominee to be a member of the Social Security Advisory Board.

I especially want to thank President Obama for nominating me for this position. I greatly appreciate this opportunity for public service that he has given me. And I also want to thank Senator Warner for introducing me today.

The Social Security program provides for wage replacement for workers and their families when the principal earner in the family retires, becomes disabled, or dies. Without this program, many of these families would face very difficult financial situations. That is why this program is so important.

The Social Security Advisory Board makes recommendations for the Social Security programs to the President, the Congress, the Commissioner of Social Security, and interested citizens. Given the importance of the Social Security program, the work of this Advisory Board is important as well. That is why serving on the Board would be a great honor for me.

I believe that my educational and professional experiences make me ideally suited to serve on this Board. With regard to my education, I earned a B.A. in 1972 from Grinnell College in Grinnell, IA. I received a master's degree in public policy studies in 1975 from the Gerald R. Ford School of Public Policy at the University of Michigan's Ann Arbor campus. Finally, I received a Ph.D. in economics in 1979 from the University of Wisconsin in Madison, WI.

With regard to my professional experience, I was the analyst for the Social Security program for the Democratic Staff of the Senate

Budget Committee from 1983 through 1991. And that position required me to be constantly studying issues related to the financing, development, and administration of the program.

From 1993 to the year 2000 I held the position of Senior Advisor to the Secretary of the Treasury for Budget and Economics. The Secretary of the Treasury serves as managing trustee of the Social Security Trust Fund. In that role, the Secretary was a participant in all of the discussions within the administration regarding Social Security's finances. I advised the Secretary as he prepared for all of these discussions.

Finally, from the year 2001 to the year 2012, I served on the Democratic Staff of the Senate Finance Committee as the chief counselor to the chairman for Social Security. In the Senate, the Finance Committee has wide jurisdiction over the Social Security program. As a result, it plays a critical role in the financing, policy development, and administration of the program. In my position as chief counselor, I advised Chairman Baucus on all of these matters. My work as chief counselor has been especially important in preparing me for the work I would do if confirmed to be a member of the Social Security Advisory Board.

Before I conclude, I want to especially thank a number of people who have been instrumental in the development of my life and my career. This includes my brother Barry Cohen, my partner Valerie Nelken, and my sister-in-law Robbie Cohen, who could not be here today because of job-related responsibilities. It includes all of my aunts and uncles, all of whom have already passed away. But of greatest importance, it includes my father, Dr. Abraham G. Cohen, and my mother, Ruth Cohen. My mother died in 1974 and my father passed away 2 years later. Unfortunately, they never had the joy and the pride of seeing many of the things I have accomplished in my career. But while they were alive, their guidance, their support, and their inspiration made me what I am today. I can never thank them enough for what they did for me.

Again, I want to thank the committee for asking me to appear today. I would be honored to have your support for my nomination, and I would be pleased to answer any questions that you may have for me.

The CHAIRMAN. Thank you, Dr. Cohen, and I am sure your parents would be kvelling for your wonderful accomplishments. [Laughter.]

[The prepared statement of Dr. Cohen appears in the appendix.]
Dr. COHEN. Thank you very much.

The CHAIRMAN. Now, at this point in the Finance Committee, we have to have each nominee respond to four questions. And I think, in the interest of time, I am going to ask the question once and then go down the row and have each one of you respond. They are fairly straightforward.

So the first question is, is there anything you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Ms. Vetter?

Ms. VETTER. No, Mr. Chairman, I am not.

The CHAIRMAN. Mr. Selig?

Mr. SELIG. No, Mr. Chairman.

Dr. AARON. No, sir.

Dr. CHEN. No, Mr. Chairman.

Dr. COHEN. No, Mr. Chairman.

The CHAIRMAN. Very good.

The second question is, for each of you, do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Ms. VETTER. No, Mr. Chairman.

Mr. SELIG. No, Mr. Chairman.

Dr. AARON. No, Mr. Chairman.

Dr. CHEN. No, Mr. Chairman.

Dr. COHEN. No, Mr. Chairman.

The CHAIRMAN. Very good.

The third question is, do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress, if you are confirmed?

Ms. VETTER. Yes, I agree.

Mr. SELIG. Yes, Mr. Chairman.

Dr. AARON. Yes.

Dr. CHEN. Yes, Mr. Chairman.

Dr. COHEN. Yes, Mr. Chairman.

The CHAIRMAN. Very good.

The last question is, do you commit to provide a prompt response in writing to any questions addressed to you by any Senator of this committee?

Ms. VETTER. I do, Mr. Chairman.

Mr. SELIG. Yes, Mr. Chairman.

Dr. AARON. Yes.

Dr. CHEN. Yes, Mr. Chairman.

Dr. COHEN. Yes, Mr. Chairman.

The CHAIRMAN. Very good.

So now we will recognize Senators for 5-minute rounds. I will begin with you, Mr. Selig, and ask simply, I think you heard Senator Hatch comment on several of your investments. I would be interested, and I think it would be helpful for the record if you could, in effect, give your response to those earlier comments.

Mr. SELIG. Certainly, Mr. Chairman. In 2007 I made those two private investments in Sun Capital Partners V and Conversus Capital. Sun Capital V is a private equity fund, and Conversus is a publicly traded portfolio of private equity funds.

I have subsequently sold my investment in Conversus, and pursuant to my agreement with the Office of Government Ethics, I plan to sell my investment in Sun Capital Partners V.

Prior to Sun Capital Partners V, all of the previous Sun Capital funds were domestically domiciled. For Sun Capital V, the GP moved the domicile to the Cayman Islands, which I was not aware of at the time. As I am not a general partner of the fund, I do not believe I received any tax advantage as a limited partner, and I paid all of my taxes in full for each year of my investment in the fund.

The CHAIRMAN. I want to make sure we got that. You did not get, in your view, any tax benefit from either arrangement and, in your view, you paid all taxes related to the investments?

Mr. SELIG. That is correct, Mr. Chairman.

The CHAIRMAN. All right. Is there anything else you would like to add on that point?

Mr. SELIG. I do not believe so, Mr. Chairman.

The CHAIRMAN. All right.

Dr. Chen, a quick question for you, if I might. On this matter of the writing of articles, do you see any problem with nominees to a Federal advisory board like the SSAB writing articles on a variety of issues, as long as they are not writing on issues the Board oversees?

Dr. CHEN. Mr. Chairman, thank you for the question. I think it is crucially important that members of the Board not engage in writings that would prejudice discussions or deliberations with respect to issues pending before the Board.

I would say, Mr. Chairman, I do think there are situations where a general discussion or exposition of a problem that may be related to an issue that the Board is considering may be an appropriate grounds for writing. However, none of that writing, as I said earlier, should discourage or inhibit any conversation that might take place between members of the Board.

And I would adhere to that rule, and I would encourage my colleagues to do the same.

The CHAIRMAN. Very good.

Dr. Aaron and Dr. Cohen, do you largely agree with what Dr. Chen said?

Dr. AARON. I think he stated it very well.

Dr. COHEN. Yes.

The CHAIRMAN. Very good.

My last question really is for you, Ms. Vetter. As you know, trade is enormously important to my home State and to our country. One out of six jobs in Oregon depends on international trade. The trade jobs often pay better than do the non-trade jobs because they reflect a very high level of productivity.

And of course, with respect to agriculture, what we want to do is, we want to grow things in America, we want to add value to them in America, and then we want to ship them somewhere. So your position is of exceptional importance.

Now, many agriculture groups see huge market-opening potential in the Trans-Pacific Partnership negotiations. Nevertheless, several of these groups, including a number that I care a great deal about, Oregon wheat and dairy producers, are concerned that Japan's lack of ambition could result in an anemic market access outcome with respect to those sectors.

You have been closely involved in these negotiations, and, as the Chief Agricultural Negotiator at USTR, you would be tasked with delivering a deal that wins for all of agriculture. Now, I understand the sensitivity of what is going on, but can you give us at least some general assessment of what your strategy would be for obtaining an agreement that produces the most meaningful new market access for a cross-section of our agricultural interests, including sectors that obviously the Japanese consider sensitive?

Ms. VETTER. Thank you very much, Mr. Chairman.

As you noted, these negotiations are in a sensitive stage, but I have been actively involved in them. And our negotiations with Japan, I think, are picking up the pace.

We have made good progress with them, and Japan has committed that it will not exclude any product from the negotiations. Our task right now is to bring home the most meaningful and ambitious market access possible across the entire spectrum of U.S. agriculture products, and that includes the five sensitive product areas that Japan has identified.

We are working very closely right now with Japan, with our stakeholders, and with members of Congress and your staff to try to identify what the best landing zone can be on those issues and how we can get the most ambitious market opening possible with that critical partner.

The CHAIRMAN. Well, I appreciate that, and I have made it a special priority to build a bipartisan coalition for the trade policies of the future. The stakes are so high, and it is very clear that there are opportunities, because this is going to be a big education job.

People talk about TPA. There are just a handful of Democrats, for example, who are still in the Congress who have had some experience with that and voted for it and the like. So we are going to work very closely with you, and we are going to work with you in a bipartisan way.

Senator Hatch?

Senator HATCH. Well, thank you, Mr. Chairman.

Ms. Vetter, the protection of intellectual property rights benefits all sectors of the U.S. economy, including agriculture. Now, American agriculture producers lead the world in innovation, and consumers around the globe view American brand names as a badge of quality.

How do you view the relationship between the protection of intellectual property rights and agriculture? And, if confirmed, what will you do to improve the protection of intellectual property rights for American agricultural products?

Ms. VETTER. Mr. Hatch, thank you for your question and thank you for your leadership on this issue.

I know that you have been a strong advocate for intellectual property protection for many years, and it is critical to, not only increasing agricultural exports, but frankly to meeting the food security needs of a world where we will need to feed 9 billion people by 2050.

I think there are three specific areas that come to mind for me where we need to work together on protecting intellectual property rights in agriculture. And one is, of course, enforcing strong trademarks for U.S. brands that now are seen as a mark of high quality and of food safety, which is important to many consumers around the world. So we have to make sure that those are not infringed upon.

Senator HATCH. All right. Go ahead.

Ms. VETTER. The second area is in geographic indications. We and the European Union have a difference of views about the scope and the level of coverage that should be provided to GIs, and we need to work together to ensure that the U.S. dairy manufacturers,

meat makers, for example, have the opportunity to sell products under generic names.

And third, of course, is the protection of patents for the use of biotechnology and nanotechnology. These new technologies are important now and are widely used by U.S. producers who are looking for protection for those products overseas, but they will also be a critical tool in the next generation of agricultural products that help us deal with the need to produce more food with fewer natural resources.

So I look forward to working with you on those protections.

Senator HATCH. Well, thank you.

Dr. Chen, one proposal to help the financial conditions of the Trust Funds associated with the Social Security system, specifically the Disability Insurance Trust Fund and the separate Old-Age and Survivors Insurance Trust Fund, is to increase or eliminate what is called the tax max. Now, as you know, the tax max represents maximum earnings subject to Social Security payroll taxes, and is currently at \$117,000, I believe.

Now, justifications for this that I have heard include, one, we did it before; two, high earners, sometimes called the rich, have to pay their fair share; and three, there have been other times when we taxed a greater share of taxable earnings than we do today. However, the proponents of increasing taxes seem never to want to talk about the potential downsides, including adverse labor market effects, just to mention one. And I believe that is a mistake, to not consider the downsides.

Dr. Chen, if earnings above the current tax max were to be subjected to payroll taxes, do you believe that there could be any adverse effects to consider; is there a downside to it?

Dr. CHEN. Thank you for the question, Senator Hatch.

Increasing the share of taxable earnings subject to payroll taxes is certainly a viable option to consider, to help improve the long-term financial condition of the trust funds. As the trustees have made clear in their annual report, Congress can choose to shore up the financial condition of the trust funds through either reducing benefits, increasing taxes, or some combination of the two.

Of course, if benefits are altered, no one entertains the notion of across-the-board benefit cuts. For example, some have suggested we ought to slow the growth of benefits for upper-income earners while strengthening or enhancing benefit growth for those at the bottom end of the wage scale.

To your question, Senator, I am concerned about the labor market impacts, potentially, of some proposals, such as the one you have discussed. I do believe that there is a potential impact with respect to the demand on labor, as well as, frankly, with respect to the tax reward for work. And so for those reasons, Senator, I believe we ought to look at a proposal like that one critically, as we should with all proposals, quite frankly. But I do believe it is proper to consider all solutions.

Clearly, we are at a stage where the program faces significant challenges, and I would certainly encourage the Board to consider all possible solutions.

Senator HATCH. Well, thank you so much.

Could I ask one more?

The CHAIRMAN. Of course, Senator Hatch.

Senator HATCH. Mr. Selig, the International Trade Administration needs to be a powerful advocate for U.S. businesses and workers. In a hearing with Ambassador Froman last week, I expressed my concern that the agencies responsible for opening world markets for U.S. workers and job creators are losing the interagency battles necessary to do so. I am concerned that USTR has not been receiving the support it needs to prevail in the interagency process.

Now, I am particularly bothered by the apparent lack of advocacy on behalf of strong intellectual property rights. I do not mean to harp just on that, but it is important to our country. Now, will you commit to me today that you and the ITA will be a strong voice for U.S. intellectual property rights in the interagency process?

Mr. SELIG. Thank you, Senator.

I have met with Ambassador Froman already and talked to him about these very issues. Intellectual property rights span all industries and affect virtually every company in our economy. I commit to you to be vigilant and do everything I can to protect the intellectual property rights of U.S. companies, big and small alike.

Senator HATCH. Thank you.

My time is up.

The CHAIRMAN. Thank you, Senator Hatch.

Senator Isakson?

Senator ISAKSON. Thank you, Mr. Chairman.

Ms. Vetter, let me ask you a couple questions about agriculture. I represent the State of Georgia. One in four crop acres in my State is planted for export purposes.

I am a big fan of the negotiations that are going on on both the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership, but I am very worried that, in the end, we are going to continue to have regulatory barriers to U.S. agricultural products going into both Europe and the Pacific. In particular, poultry is the largest product in my State. Delaware is a huge poultry State. Europe uses non-tariff barriers like refusing to take chickens that are washed in chlorinated water, which is just a misdirection play to keep Georgia chickens out.

What are you doing and what is Ambassador Froman doing to help bring down these non-tariff barriers to U.S. products?

Ms. VETTER. Thank you very much for your question.

You are absolutely right that, as tariff barriers have gone down in agriculture, those sanitary and phytosanitary barriers have, in fact, gone up. And we are working very hard, and, if confirmed, I will continue to work with you and others to make sure that we have a strong SPS agenda in these trade agreements, as well as a tariff agenda.

We are looking at strengthened SPS provisions in the TPP, stronger than what we have included in past agreements, and we have been very clear at the outset of the TTIP negotiations with Europe that we would be seeking a strong SPS chapter and a real negotiation on the regulatory system.

I am pleased to say that the European Food Safety Authority has in fact taken the first steps by giving a positive assessment that PAA, peroxyacetic acid, is actually a safe product to be used as a pathogen reduction treatment for poultry. And we will continue to

watch and encourage that PAA goes through the European food safety system and is approved so that we can export those poultry products.

Senator ISAKSON. Well, that would be a major change, in and of itself. Because pathogen reduction has been one of the requirements they have used to not allow those chickens to come into Europe. Is that not right?

Ms. VETTER. That is true. That is right. So we will, again, be watching that issue very closely and working with our partners in Europe in hopes that that can be an approved treatment.

Senator ISAKSON. Mr. Selig, I am a big fan of your future boss, Ms. Pritzker. She is a terrific Commerce Secretary.

I am also a big fan of expanding trade, realizing that for American companies, many of them, the ability to expand market share depends on opening up markets overseas. So I am a big promoter of trying to get these trade negotiations completed so we have more opportunity for our companies.

I think it is important, though, that we get Trade Promotion Authority passed in Congress. And we have one barrier that I know of, and that is that the Majority Leader, unlike the President, who has asked for it in his State of the Union address, the Majority Leader has tended to push it aside, and we have not had it on the agenda.

I do not think Ms. Vetter can do her job, or that Mr. Froman can do his job, without TPA. Do you have any comment on that?

Mr. SELIG. Thank you for your question, Senator. I too am a big fan of the Secretary's.

Both the President and the Secretary are on record supporting Congress passing the TPA. I do believe that TPA is a critical tool to bring home all trade agreements, TPP and others, and that the U.S. would be at a significant disadvantage without TPA. So I look forward to doing everything I can to be helpful to Congress moving this legislation forward.

Senator ISAKSON. Thank you very much.

Dr. Aaron, when I looked at my schedule last night, I was so excited that one of my constituents was going to be here today, in Hank Aaron. [Laughter.] But I found out when I walked in the room that I did not have the Hall of Famer. But I appreciate your service to Social Security.

Let me ask you and all three of the appointees to the Advisory Board, or potential appointees, a question. I am one of those who tries to refrain from using "entitlement reform" when it comes to Medicare and Social Security, because those are contracts we have with the American people that they have paid good money for.

But we are not going to be able to fulfill the promises of Social Security and Medicare if we do not reform both eligibility, as well as how the formula is done, as well as look at the revenue sources, like some of the things that Dr. Chen talked about. I hope the Advisory Board will be a vocal advocate of different alternatives that Congress has to save Social Security for the people who have paid for it.

A lot of times when we talk about entitlement reform, people are afraid we are going to take something away from them. Well, the worst takeaway of all would be for us to allow our debt to grow and

grow and grow, and our obligations to pass our ability to pay them, and then there would be nothing left at all for Social Security or Medicare.

So you have a huge responsibility, and I would like, in the little time—well, I have only 36 seconds. I hope, as members of the Board, you will take the opportunity to be outspoken on different paths that we can take to save programs that the American people have paid for and that we promised them.

The CHAIRMAN. And I want my colleague to have the time to be able to get a response. He has been very thoughtful, worked with me on chronic disease in terms of Medicare. So, Senator Isakson, you have additional time, and then we will recognize Senator Thune.

Senator ISAKSON. Thank you, Mr. Chairman.

Dr. AARON. My response is that I think you have stated the problem and the challenge admirably. I also thought that Dr. Chen's description of the options before us was very well-crafted.

There are projected long-term deficits in Social Security, and near-term deficits in the Medicare Hospital Insurance Fund. Whatever we do to deal with those shortfalls is going to entail some tough choices, either raising revenues in some fashion or reducing the rate of growth of benefits in some fashion.

Those are not options I think that rank high on the preferences of any of us, standing by themselves. But I think, working together, we can fashion compromises that should command widespread support in Congress and sustain these vitally important programs in the years ahead.

Senator ISAKSON. Thank you.

Dr. Chen?

Dr. CHEN. Senator Isakson, first of all, thank you for your leadership on these crucial issues. I just agree with my colleague; I think it is crucially important that we work together to ensure that the promises that we have made to our seniors and those who are disabled are promises that this government continues to be able to keep.

And so, those are things that are important, and they would be a priority of mine, certainly, on the Board as well.

Senator ISAKSON. Good.

Dr. Cohen?

Dr. COHEN. Social Security does have a modest long-run financing problem. We can pay full benefits for the next 20 years and still be able to pay three-quarters of benefits thereafter, but that is not good enough. And so the Board, along with everybody else who worries about the Social Security program, will be looking at ways to fix that long-term financial challenge.

And I might add, Senator, that the Board has pioneered the notion of getting all the options out on the table, and that they have published from time to time a list of all of the options for reducing the long-run financing problem of Social Security and how much each option would contribute to reducing that amount.

So I expect to work very much with the Board, on the Board, on these issues. The Board has taken a strong interest in this in the past.

Senator ISAKSON. I just wanted to make a point, Mr. Chairman.

The CHAIRMAN. Please do.

Senator ISAKSON. I was born December 28, 1944. In 1983, President Reagan and Tip O'Neill reformed eligibility for Social Security by saying anybody born after 1943 could not get it at age 65; they had to wait till age 66.

I was born in the year after 1943. I did not think I was going to live to 66 to begin with. And my father had always told me the government was going to screw it up, and I needed to save for myself. And when I got to age 65, I did not even realize I had had a year taken away from me 29 years ago.

My point is this: The quicker we deal with the fix, because of the time value of money, the easier the fix is going to be, both on the benefits side and the revenue side. And we still have time to do that, but we are going to need to elevate the discussion about that subject.

And I appreciate the extra time. Thank you.

The CHAIRMAN. Thank you, Senator Isakson.

I am going to talk at the end a little bit about how we might elevate the discussion, because I think Senator Isakson is making an extremely important point. And on these issues, he has clearly been part of the effort to bring Democrats and Republicans together, and that is the key.

Senator Thune?

Senator THUNE. Thank you, Mr. Chairman. And I would also like to associate myself with the remarks of my colleague from Georgia, and welcome the people who are going to be advising on these important issues, as there is no more important domestic policy issue, in my view, than dealing with the debt and deficit challenge that we are facing. And it is a crisis today; it is going to become even a bigger crisis if we do not deal with it.

I want to speak a little bit to trade, so I would like to direct this question to Ms. Vetter. But one of the reasons that we need TPA is in order to reach a successful conclusion of the Trans-Pacific Partnership, or TPP.

And as you know, a major focus of our agricultural producers is further opening the Japanese market to our products. Unfortunately, the Japanese government continues to insist on limiting access for certain commodities, such as wheat and rice, dairy, beef, pork, and sugar. And, while it may not prove feasible to completely eliminate every single tariff on every agricultural product, I think it is important that we reaffirm that the goal of America's free trade agreements is to come up with across-the-board tariff elimination. And I would argue that marginal improvements in market access simply are not good enough.

So is your view that the goal of TPP should be tariff elimination across the board, and, if confirmed, is this a position that you will advocate for as America's Chief Agricultural Negotiator?

Ms. VETTER. Thank you very much for your question.

Indeed, in our negotiations on market access with all of our TPP partners—and there are a few where we do not yet have market access or free trade agreements—we are seeking as our goal tariff elimination on all goods, including those in agriculture. And our goal at the moment is to go line by line with those countries

through those products and achieve the best and fullest market access agreement possible that we can get on all of those products.

I would note, as I noted earlier on a question that Senator Wyden asked, that indeed our negotiations with Japan are difficult, but Japan has agreed that there will not be any exclusions of products and that each product, including those sensitive ones, will be addressed in this agreement.

So our goal right now is working with you and with our stakeholders to get that best deal possible for all of U.S. agriculture.

Senator THUNE. Well, I guess I would point out too that I think it is important to keep in mind that the amount of new market access that we get from Japan is going to impact the market access we receive from other TPP countries. And a good example of this dynamic is dairy in Canada. We have, under NAFTA, dairy producers who have benefitted enormously in the American Southwest because of increased exports to Mexico, given the proximity to that country. Yet dairy producers in States with close proximity to Canada, such as South Dakota, continue to be limited in our dairy exports by virtue of their supply management system.

So, if confirmed, how will you ensure that Canada makes the reforms necessary to eliminate unjustified barriers to U.S. agricultural products? And how did the past few weeks' agricultural market access discussions with Japan impact our ability to secure robust and commercially meaningful access to the Canadian dairy market?

Ms. VETTER. Well, Senator, I could not agree with you more that the time is now for Canada to come forward with strong market-opening offers on dairy and poultry and egg products. We were very clear with Canada when they joined the TPP negotiations that we would be pushing hard for additional access to that market in those areas where we did not gain access under NAFTA.

And, if confirmed as Chief Agricultural Negotiator, that will be one of my top negotiating priorities, making sure we can take advantage of that proximity to that critical market for us.

Senator THUNE. All right.

Well, coming back to Asia, we recently raised with Ambassador Froman the growing problem with China and them not approving in a timely manner a lot of the new biotech traits for corn and soybeans. And I know from your position at USDA that you are familiar with that situation and the trade disruptions that it is causing.

And I guess, again, I would ask, if you are confirmed, will you urge your counterparts in China to move expeditiously on the approval of agricultural biotech products that have already been approved in the United States for entry into the Chinese market? And similarly, will you work with the EU as part of the TTIP agreement to ensure that food safety systems are based on sound science and not other considerations? That is an issue we have, as you know, with the Europeans as well.

Ms. VETTER. Absolutely. Those, in fact, are two top priorities that I have been working on in my position at USDA. And, if confirmed, I would be happy to continue to work with you to make sure we can advance our trade in biotech and other products, and to encourage science-based decision-making.

Senator THUNE. All right. Good. Thank you.

Mr. Chairman, that is all I have. My time is up.
The CHAIRMAN. Thank you, Senator Thune.

Let me say to our nominees, we have four votes coming up on the floor.

So I am going to say to you, Mr. Selig, I want to submit a question in writing with respect to trade enforcement, because certainly a big part of the country, when they hear about additional trade agreements—and I have voted for essentially every major market-opening agreement in my time in public service—people want to know, what are you going to do to enforce the laws on the books? So we will need that response quickly in writing from you, with respect to trade enforcement.

And, apropos of Senator Isakson's very good point about raising the dialogue, which is a viewpoint that I share, I would like to say to the three nominees for the Social Security positions, I would especially like you to look at new ways to bring younger people into this discussion. Because I can tell you, I go to high schools. Now we call the program Listening to Oregon's Future. And we spend the first 40 minutes or so talking about student loans and parks and recreation areas that young people care about.

And so I often say, I assume that you all are 16, 17, 18? And they say, that is right, Senator. I say, well, I bet when you get up in the morning and you are talking to your friends on your cell or you are tweeting or communicating with Facebook or something, I bet you talk about Medicare. [Laughter.] And they all look at me like I just lost it. And I say, and if you go on a date, you talk about Social Security. I am sure you do. [Laughter.]

And then I say, of course I am kidding. But I am not kidding completely, because, apropos of Senator Isakson's point, we need to start this intergenerational dialogue in order to build bipartisan solutions that really span the generations. So, Senator Isakson talked about raising the dialogue. I would particularly like you to bring more younger people into that discussion.

So, unless there is any other business or further questions for our nominees, we will just wrap up today. Members should know that we will keep the record open until Monday close of business. We will have a written question for you, Mr. Selig. Other members may have questions in writing.

My hope is that we can get all of you confirmed expeditiously. I will do everything I possibly can to do that.

And with that, the Finance Committee is adjourned.

[Whereupon, at 11:24 a.m., the hearing was concluded.]

A P P E N D I X

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Testimony to Senate Finance Committee 8 May 2014

by
Henry J. Aaron¹

Senator Wyden, Senator Hatch, Committee members:

I am honored and pleased to have been renominated by President Obama for membership on the Social Security Advisory Board. And I am grateful to this committee for holding these hearings on my nomination and those of Mr. Cohen and Mr. Chen. I very much hope that this committee and the full Senate will confirm all three of us so that the Board will once again have a full complement of members.

My interest in Social Security is now in its sixth decade. It began with my doctoral dissertation, completed in 1963 when few economists had yet showed much interest in the topic. I have worked on many subjects over my career including tax policy, housing policy, government budget issues, and health care policies. I have a list of my work on Social Security culled from my resume which I ask be included as part of the record. The most recent addition to this list is a paper that I presented at a conference of international experts on the challenges posed by population aging sponsored by Japan's Ministry of Finance and the Asian Development Bank at which I was asked to represent the United States. I believe that my work on topics in addition to Social Security is an asset that enables me to consider issues of Social Security policy in the broad budget and policy context, not as an isolated entity.

My career has also included many activities in addition to that of teaching and research. Early in my career during the administration of Richard Nixon I was appointed by then Secretary of Housing and Urban Development Carla Hills to chair a review committee on housing allowance experiments, the precursor of Section 8 housing. I chaired the 1979 Advisory Council on Social Security, a bi-partisan panel appointed every four years to review Social Security issues that was a precursor to the SSAB. I now serve as one of four academics members and roughly thirty venture capitalists and senior business executives who advise the Stanford Institute of Economic Policy Research on its research agenda. I was a trustee of the College Retirement Equity Fund, a member of the board of trustees of the Georgetown University, and a member of the board of directors of Abt Associates, a private social science research and consulting firm with current sales in excess of \$500 million a year.

I mention these activities because, like the Social Security Advisory Board, those positions require the ability to interact with strong-minded people of diverse views, to express one's views forthrightly, and yet to work together collegially.

Once again, thank you for considering my nomination. I look forward to responding to the best of my ability to any questions you may have.

¹ Bruce and Virginia MacLaury Senior Fellow, The Brookings Institution. The views expressed here are my own and do not necessarily express those of the trustees, officers, or other staff of the Brookings Institution.

SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)

Henry Jacob Aaron

2. Position to which nominated:

Member, Social Security Advisory Board

3. Date of nomination:

February 14, 2011

4. Address: (List current residence, office, and mailing addresses.)

5. Date and place of birth:

June 16, 1936; Chicago, Ill

6. Marital status: (Include maiden name of wife or husband's name.)

7. Names and ages of children:

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

*Fairfax High School, Los Angeles, California, 1951-54, Diploma, 1954
University of California at Los Angeles, 1954-58, B.A. 1958
Harvard University, 1958-1963, M.A. 1960, Ph.D. 1963*

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

*Senior Fellow, 1996 to present; Director, 1990-1996, Economic Studies Program,
The Brookings Institution, Washington, DC*

*Instructor, 1963-1966; Visiting Professor, 1974, Harvard University, Cambridge,
Massachusetts*

Senior Staff Economist, Council of Economic Advisors, Washington DC 1966-67

Research Associate, Brookings Institution, Washington, DC June-August 1967

*Associate Professor, 1967-1976; Professor, 1979-1989, University of Maryland,
College Park, MD*

*Assistant Secretary for Planning and Evaluation, Department of Health,
Education, and Welfare, Washington, DC 1977-78*

*Assistant to Robert A. Wallace, Assistant Secretary of the Treasury, Washington,
DC June-September 1961*

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

*Congressional Budget Office, Member, Panel of Economic Advisers, 2009 to
present*

*Institute of Medicine:
Member, 1986 to present*

*Chair, Committee on Routine Patient Care Costs in Clinical Trials
for Medicare Beneficiaries, 2000*

Chair, Committee on Medicare Coverage of Routine Patient Care in Clinical Trials, 1999

Advisory Council on Social Security, Chairman, 1978-79

IRS, Statistics on Income Division, Co-chair, Consultants Panel, 1991-1998

National Academy of Sciences

Member, Panel on Statistics for Family Assistance and Related Programs, 1981

Member, Panel on Quality Control in Welfare Programs, 1986-1988

Member, Commission on Behavioral and Social Sciences and Education, National Forum on the Future of Children and Families, 1983-1991

Member, Committee on Behavioral and Social Sciences and Education, National Research Council, 1983-1991

Department of Housing and Urban Development

Member, Urban Policy Working Group, 1979-1980

Chairman, Panel on Housing Allowance Experiments, 1975-1977

Council of Economic Advisers, State of Maryland, Member, 1969-1975

Joint Committee on Taxation, United States Congress, Member, Taxation Advisory Board, 1996-1998

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

The Rockefeller Foundation, Chair, Committee to Oversee Project on Economic Insecurity, 2007 to present

Abt Associates, Cambridge, Massachusetts, Member, Board of Directors (compensated), 1979 to present

Center on Budget and Policy Priorities, Member, Board of Directors, 1994 to present

American Tax Policy Institute, Member, Board of Directors, 2000-2007

College Retirement Equities Fund, 1983-1987, Trustee,

National Academy of Social Insurance

Board Chair, 1997-2007

Vice President, 1989-1996

Association for Public Policy and Management, President, 1997-1999

Georgetown University

Trustee, Georgetown University, 1995-1998

Member, Board of Directors, 1995-1998

Teachers' Insurance and Annuity Association of America, Trustee, 1983-1987

Journal of Health Economics, Member, Editorial Board, 1982-2006

Council for Applied Social Research, Member, Board of Directors, 1978-1980

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Congressional Budget Office, Member, Panel of Economic Advisers, 2009 to present

The Rockefeller Foundation, Chair, Committee to Oversee Project on Economic Insecurity, 2007-present

Harvard University Medical and Dental Schools, Member, Visiting Committee, 2007 to present

*American Academy of Arts and Sciences
Member, 1993 to present*

Councilor, 1997 to present

Center on Budget and Policy Priorities, Member, Board of Directors, 1994 to present

Scholars in Health Policy Research Program, National Advisory Committee, Member, Robert Wood Johnson Panel, 1993 to present

Institute of Medicine:

Member, 1986 to present

Chair, Committee on Routine Patient Care Costs in Clinical Trials for Medicare Beneficiaries, 2000

Chair, Committee on Medicare Coverage of Routine Patient Care in Clinical Trials, 1999

Journal of Economic Perspectives

Member, Advisory Board, 1997-present

Associate Editor, 1987-1997

Duke University

Member, Research Advisory Board, Stanford Institute for Economic Policy Research, 1991 to present

Member, Board of Visitors, Stanford Institute of Public Policy, 2002

School of Public Policy, Member, Visiting Committee, 2002

College Retirement Equities Fund, Trustee, 1983-1987

American Tax Policy Institute, Member, Board of Directors, 2000-2007

Russell Sage Foundation, Member, Behavioral Economics Roundtable, 1998-2005

*National Academy of Social Insurance
Board Chair, 1997-2007*

Vice-president, 1989-1996

Association for Public Policy and Management, President, 1997-1999

Joint Committee on Taxation, United States Congress, Member, Taxation Advisory Board, 1996-1998

*Georgetown University
Trustee, Georgetown University, 1995-1998*

Member, Board of Directors, 1995-1998

Member, Committee on Medical Center Affairs and Academic Committee, 1995-1998

The RAND Corporation, Summer Institute on Reform of Health Care Financing, Member, July 1992

IRS, Statistics on Income Division, Co-chair, Consultants Panel, 1991-1998

Major League Baseball, Member, Baseball Economic Study Committee, 1990-1992

*American Economic Association,
Vice President, 1990-1991*

Member, Executive Committee, 1978-1981

Journal of Public Economics, Associate Editor, 1988-1998

Committee for Economic Development, Research Advisory Board, Member, 1988-1991

Teachers' Insurance and Annuity Association of America, Trustee, 1983-1987

Journal of Health Economics, Member, Editorial Board, 1982-2006

National Savings and Loan League, Member, Economic Advisory Board, 1980-1982

*Harvard University
Harvard University Graduate Society Council, Member, 1988-1990*

Department of Economics, Visiting Committee, Member, 1985-1989

*National Academy of Sciences
Member, Panel on Statistics for Family Assistance and Related Programs, 1981*

Member, Panel on Quality Control in Welfare Programs, 1986-1988

Member, Commission on Behavioral and Social Sciences and Education, National Forum on the Future of Children and Families, 1983-1991

Member, Committee on Behavioral and Social Sciences and Education, National Research Council, 1983-1991

University of California, San Francisco, School of Medicine, Member, Health Policy Advisory Committee, Health Policy Program, 1979-1980

*Department of Housing and Urban Development
Member, Urban Policy Working Group, 1979-1980*

Chairman, Panel on Housing Allowance Experiments, 1975-1977

Council for Applied Social Research, Member, Board of Directors, 1978-1980

Advisory Council on Social Security, Chairman, 1978-79

Council of Economic Advisers, State of Maryland, Member, 1969-1975

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate.

None

- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

D.C.C.C.	10/13/2010	\$1,000
Earl Pomeroy for Congress	09/30/2010	\$500

<i>Spratt for Congress</i>	09/30/2010	\$300
<i>Manchin for West Virginia</i>	09/30/2010	\$500
<i>Bill Foster for Congress</i>	09/30/2010	\$350
<i>Democratic Party of Virginia</i>	09/23/2008	\$500
<i>Obama for America</i>	09/15/2008	\$2,300
<i>Obama for America</i>	04/04/2007	\$2,300
<i>D.C.C.C.</i>	10/29/2006	\$2,500
<i>James Webb for Senate</i>	09/22/2006	\$1,000
<i>Spratt for Congress</i>	06/28/2006	\$500
<i>Judy Feder for Congress</i>	09/21/2006	\$500
<i>Judy Feder for Congress</i>	03/03/2006	\$500
<i>Emily's List</i>	2006	\$150
<i>Stenholm for Congress</i>	10/21/2004	\$500
<i>John Kerry for President Inc.</i>	07/15/2004	\$2,000
<i>Ron Kirk for US Senate</i>	10/16/2002	\$500
<i>Wellstone for Senate</i>	10/15/2002	\$500

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)

Daniel Holland Medal, National Tax Association, 2010

Robert Ball Prize, National Academy of Social Insurance, 2007

Fellow, Bellagio Center, The Rockefeller Foundation, 2004

Guggenheim Fellow, Center for Advanced Studies in the Behavioral Sciences, 1996-1997

Distinguished Policy Fellow, Graduate School of Public Policy, University of California, Berkley, Nov. 1981

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

Please see attachment A.

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

The following is a list of formal speeches I have delivered in the past five years. Most were given using only notes, of which I have not retained. For those where I have a copy of the speech, it is noted below, and attached.

*Colby College, April 2011(speech attached)
AHIP, Ritz Carlton Hotel, March 2011 (speech attached)
National Congress on Health Reform, January 2011 (speech attached)
National Tax Association on Receipt of the Holland Medal (speech attached),
National Blood Foundation, May 2010 (speech attached)
AHIP National Policy Forum, March 2010 (speech attached)
AARP National Policy Council, November 2009 (speech attached)
National Association of State Comprehensive Health Insurance Plans,
September 2009
University of Southern California, Andrus Lecture, March 2009
Farm Bureau Federation, March 2009 (speech attached)
National Association of Business Economists, March 2009 (speech attached)
American Farm Bureau, March 2009
United Health Care Board Meeting, February 2009 (speech attached)
Medicare "Summit," February 2009
American Health Information Management Association, November 2008
Health Affairs Conference, Campaign 2008, October 2008
University of Cincinnati, Kautz Lecture, October 2008
Cover the Uninsured, Michigan, October 2008
East Carolina University, October 2008
White House Writers Group, Orlando, September 2008
Retirement Research Consortium, August 2008
Brookings Institute/Cleveland Clinic Event, May 2008 (speech attached)
Harvard Medical School, 20th Anniversary of the Department of Health Care
Policy, April 2008 (speech attached)
"Toward a New Deal" Symposium, April 2008 (speech attached)
Comments to E.R.I.C, March 2008 (speech attached)
Academy Health, February 2008
Blue Cross/Blue Shield, Michigan, November 2007
Holland Lecture, Omaha, November 2007
Grinnell College, October 2007
University of California, Irvine, May 2007*

*Princeton University Symposium on Healthcare: Prospects and Policy,
November 2006 (speech attached)
AARP, November 2006
Signature Health Care Foundation Conference, October 2006 (speech attached)
St. Mary's College, Health Care: Is the Sky Falling?, October 2006 (speech
attached)
Gustavus Adolphus College, October 2006
Lecture on Biomedical Science, August 2006 (speech attached)
Employment-Sponsored Health Insurance, Brookings Institution-New America
Foundation Forum, June 2006 (speech attached)
Taub Center Board Meeting, May 2006 (speech attached)
White Table Cloth Lunch, April 2006
Georgetown University, April 2006*

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

I have written several books and numerous articles on Social Security and worked in government on the staff of the Council of Economic Advisors (staffing a cabinet level tax force on Social Security reform; served as Assistant Secretary for Planning and Evaluation and the (then named) Department of Health, Education and Welfare working on the reforms enacted in 1977, and chaired the 1979 Advisory Council on Social Security.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

Not applicable, as the position for which I am being considered is part-time.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

Please see response to question 1, above.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest regarding my investments, obligation, liabilities or other relationships and the position to which I have been nominated. I have signed an ethics agreement that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire. I am not aware of any other potential conflicts of interest.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

I am not aware of any such possible conflict of interest. I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest regarding my investments, obligation, liabilities or other relationships and the position to which I have been nominated. I have signed an ethics agreement that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of

any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

I have testified, on invitation, to various committees of Congress in which commented on various legislative issues.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with **two** copies of any trust or other agreements.)

I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest regarding my investments, obligation, liabilities or other relationships and the position to which I have been nominated. I have signed an ethics agreement that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire. I am not aware of any other potential conflicts of interest.

5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.
6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

N/A

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any

court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

Attachment A**Experience of Henry J. Aaron Directly Relevant to Social Security**

Member, Panel of Economic Advisors, The Congressional Budget Office, 2009–2011.

Member, Board of Directors, Center for Budget and Policy Priorities, 1994–Present.

Chairman of the Board of Directors, National Academy of Social Insurance, 1999–2005,
Vice President, 1988–1996.

Assistant Secretary for Planning and Evaluation, Department of Health, Education, and Welfare, January 1977–December 1978. Headed office responsible to Secretary and Under Secretary for providing analysis of current policy issues, preparing legislative program, and maintaining and enforcing departmental planning calendar. Supervised staff planning and evaluation offices covering health, education, income security, and social services and employing 300 people. Administered \$50 million budget for research, evaluation, and personnel.

Chairman, Advisory Council on Social Security, 1978–1979. The thirteen member Advisory Council was appointed every four years to advise Congress and the Secretary of the Department of Health and Human Services on the status of benefits and financing of Social Security and to recommend changes.

Senior Staff Economist, the Council of Economic Advisers, July 1966 to June 1967. Staff work in taxation, human resources, and income maintenance.

Faculty, Salzburg Seminar on American Studies on Worldwide Crisis in Retirement Income Systems, Salzburg, June 1982.

Trustee, Teachers' Insurance and Annuity Association of America, 1983–1987.

Books (eight)

Behavioral Aspects of Retirement Policy, editor, Brookings and Russell Sage Foundation, 1999.

Should Social Security be Abolished? (with John B. Shoven, edited by Benjamin M. Friedman), MIT Press, 1999.

Countdown to Reform: The Great Social Security Debate (with Robert Reischauer), Twentieth Century Fund, 1998; Second edition, 2001.

Social Security and the Budget, University Press of America, 1990, (editor, and author of two chapters, "Social Security and the Budget: An Overview" and "Costs of the Aging Population: Real and Imagined Burdens").

Can America Afford to Grow Old?, Brookings, 1988 (coauthored with Barry Bosworth and Gary Burtless).

Retirement and Economic Behavior, Brookings, 1984 (coedited with Gary Burtless).

Economic Effects of Social Security, Brookings, 1982.

Social Security: Perspectives for Reform, Brookings, 1968 (with Joseph A. Pechman and Michael K. Taussig).

Journal Articles and Book Chapters (Twenty two)

The Fiscal Challenges of Population Aging : The Contrasting Cases of The United States and Japan, *Public Policy Review*, Vol.9, No.5, in press, 2014.

Social Security Reconsidered, *National Tax Journal*, vol. 64, no. 2, pt. 1, June 2011, pp. 385–414.

How to Think About the U.S. Budget Challenge, *Journal of Public Policy and Management*, 2010.

Longer life-spans: boon or burden, *Daedalus*, Winter, 2006, pp. 9–19.

Our Best Anti-Poverty Program, *The American Prospect*, February 2005.

The Impact of an Aging Population, (with Peter Orszag) and Meeting the Revenue Challenge, (with William G. Gale and Peter R. Orszag) in *Restoring Fiscal Sanity: How to Balance the Budget* edited by Alice M. Rivlin and Isabel Sawhill, Brookings 2004, pp. 93–110, 111–126.

Uncertainty and Pension Policy, (with Benjamin Harris) in *The Economics of Social Security in Japan*, edited by Toshiaki Tachibanaki, Edward Elgar, 2004, pp. 43–74.

The Truth About Social Security and Medicare: An Interview with Henry Aaron, *Challenge*, May-June 2004, pp. 27–41.

How Federalism Could Spur Bipartisan Action on the Uninsured, *Health Affairs Web Exclusive*, 31 March 2004, W4-168–W4-178.

Budget Estimates: What We Know, What We Can't Know, and Why It Matters, in *Policies for an Aging Society*, edited by Stuart H. Altman and David I. Shachtman, Johns Hopkins Press, 2002, pp. 63–80.

Governor Bush's Individual Account Proposal: Implications for Retirement Benefits, (with Alan S. Blinder, Alicia H. Munnell, and Peter R. Orszag) Century Foundation Issue Brief No. 11, April 2000.

Chinese Social Security Reform: Personal Security and Economic Development, in *Social Security Reform in China*, Economic Science Press, Beijing, 1999; and *Social Security Reform: Options for China*, World Scientific Publishing Company, 2000.

Social Insurance Works: Fix it, Don't Scrap it, *The Public Manager*, Summer 1997, vol. 26, no. 2.

Privatizing Social Security: A Bad Idea Whose Time Will Never Come, *The Brookings Review*, Summer 1997.

"The Economics and Politics of Pensions: Evaluating the Choices," in *Private Pensions and Public Policy*, OECD, 1992.

"Silver Threads: Pension and Health Policy for an Aging Society," *Fulfilling America's Promise*, edited by Joseph A. Pechman, 1992.

"What is the Appropriate Size of the Social Security Trust Fund Reserves?" in *Conference Proceedings Social Security Trust Funds: Issues for the 1990s and Beyond*, (AARP), February 23, 1989.

"How Social Security Affects the Deficit," *The Brookings Review*, Winter 1988/89, (with Barry P. Bosworth and Gary Burtless).

"Demographic Effects on the Equity of Social Security Benefits," in *The Economics of Public Services*, Martin Feldstein, editor, 1976.

"The Objectives of Social Security," in *Old Age Income Assurance, Part III, Public Programs, A Compendium of Papers on Problems and Policy Issues in Public and Private Pension Systems*, Subcommittee to the Subcommittee on Fiscal Policy of the Joint Economic Committee, 90th Congress, 1st Session 1967); Brookings Institution Reprint No. 144 (with Joseph A. Pechman and Michael L. Taussig).

"The Social Insurance Paradox," *The Canadian Journal of Economics and Political Science*, August 1966; reprinted in *Old Age Income Assurance*; reprinted in *Foundations of Pension Finance*, edited by Zvi Bodie and E. Philip Davis.

"Social Security: Equities and Inequities under United States Social Security," and "International Comparison," in *The Economics of Income Maintenance* (Otto Eckstein, editor), Brookings Institution, December 1966.

Popular Articles (eighteen)

Social Security: Consensus Based on Confusion Part I and Social Security: A Consensus Based on Confusion (Part II), *The Fiscal Times*, 19–20 July 2010.

Social Security: Getting the Facts Right, *The Fiscal Times*, 28 March 2010.

There is No Entitlement Crisis; There Is a Health Care Funding Crisis, *The AARP Bulletin*, 1 September 2009.

A Vision for the U.S. Pension System at 100, *The Fiscal High Road*, January 29, 2009.

Tune It Up, Don't Trade It In: The Future of Social Security, *The Washington Post, Outlook*, April 19, 1998 (with Robert Reischauer).

Is a Crisis Really Coming?: Two Experts Face Off Over the Future of Social Security and Medicare, *Newsweek*, December 9, 1996.

The Myths of the Social Security Crisis: Behind the Privatization Push, *The Washington Post*, July 21, 1996.

Newest Public Utility? Health Care *Newsday*, January 25, 1996.

"Social Security: It Is Affordable," *The Washington Post*, February 15, 1994 (with Robert Ball).

"The Myth of Means-Testing," *The Washington Post*, November 14, 1993 (with Robert Ball).

"If U.S. is unequal, Don't Blame the Payroll Tax," *Wall Street Journal*, February 14, 1990.

"Bite the Deficit, Not Social Security," *The Washington Post*, December 16, 1987 (with Robert Reischauer).

"Social Security Lives," *U.S. News and World Report*, April 14, 1986, p. 77.

"The Social Security Solution," *The Washington Post*, December 12, 1982.

"Social Security Can Be Saved," *Challenge*, November/December 1981.

"Salvaging Social Security," *The Washington Star*, June 28, 1981.

"A Debate on Social Security," *Across the Board*, July 1980.

"Advisory Report on Social Security," in *Challenge*, March/April 1980, reprinted in *Economic Impact*, Number 32, 1980, as "Rejuvenating U.S. Social Security."

**UNITED STATES SENATE
COMMITTEE ON FINANCE
HEARING TO CONSIDER THE NOMINATION OF HENRY J. AARON
MAY 8, 2014
QUESTION FOR HENRY J. AARON**

Question from Ranking Member Hatch

Question

On September 29, 2013, an editorial was published under your name in The New York Times titled “Our Outlaw President?” The editorial read in part, “The only defensible option for the president if the debt ceiling is not raised is to disregard the debt ceiling. The action would be unconstitutional because it would be illegal.” Later on the editorial reads “Disregarding the debt ceiling would have one additional, thoroughly benign effect. It would end the capacity of Congressional minorities to precipitate crises in order to accomplish goals for which they lack the votes.”

In this editorial, are you suggesting that an illegal act undertaken by the President could have a favorable outcome based on politics? Would similar political judgments inform your work as Chairman of the Social Security Advisory Board if you are confirmed?

Answer:

The direct answer to your question is: “No, I am not suggesting that an illegal act by the President could have a favorable outcome based on politics.”

In the op-ed in question, I wrote:

“The Constitution requires the president to spend what Congress has instructed him to spend, to raise only those taxes Congress has authorized him to impose and to borrow no more than Congress authorizes.

“If President Obama spends what the law orders him to spend and collects the taxes Congress has authorized him to collect, then he must borrow more than Congress has authorized him to borrow, he will have to violate one of these constitutional imperatives. Which should he choose?”

In brief, had Congress not raised the debt ceiling, it would have been Congress that made it impossible for the President to avoid an illegal and unconstitutional act. I wrote and believe that many bad consequences would have ensued had the President been forced to make such a choice. I continue to believe that in such a situation, one that existed solely because Congress gave the President mutually inconsistent instructions, he should choose the option that does the least damage to the country. Fortunately, Congress agreed to raise the debt ceiling, thereby sparing the President and the nation such a fraught choice.

Statement of Lanhee J. Chen, Ph.D., Nominee to be a Member of the Social Security Advisory Board, before the United States Senate Committee on Finance

Chairman Wyden, Ranking Member Hatch, and Members of the Committee, thank you for the opportunity to appear before you today. I am honored by the trust that President Obama has placed in me and am proud to be a nominee to the Social Security Advisory Board. I am grateful to Senator Portman for his kind introduction, and to Senate Minority Leader McConnell for the support he has shown to me throughout this process.

Before I begin, I'd like to take a moment to introduce my family, all of who have traveled from California to be here with me today. Their constant encouragement, love, and support have made this day possible. So thank you to my wife Cynthia, my son Tobin, my parents, Chung-Lien and Ya-Mei, and my brother, Julius, for being with me today. Cynthia and I are also blessed to have a two-month old daughter, Adeline, who did not make the trip with us.

The Board plays an important role in providing key policymakers, including the President and members of this Committee, with plausible policy alternatives to ensure the solvency of Social Security and related programs, the promotion of economic security in retirement, and proper coordination between efforts to ensure health and economic security for America's seniors and disabled. These are all highly laudable goals, and ones that I look forward to promoting if favorably reported by this Committee and confirmed by the Senate.

I believe that I possess the necessary experience, expertise, and judgment to serve as a member of the Board. I am currently a Research Fellow at the Hoover Institution, and hold teaching appointments both in the Public Policy Program and the Law School at Stanford University. Over the course of my professional career, I have addressed specific proposals to ensure the solvency of the program, studied potential reforms to Social Security at some of the country's leading policy research institutions, and taught at the university level about entitlement reform.

I offer a unique perspective relative to other members of the Board by virtue of the fact that Social Security benefits are likely at least thirty years away for me. Many in my generation, and those younger than me, are concerned about the future of Social Security. Reforming the program to ensure its solvency for my generation and beyond is a particular interest and concern of mine.

Finally, I believe that the Board can play an important role in strengthening the Social Security, Disability Insurance, and Supplemental Security Insurance (SSI) programs. But it can only play this role if members of the Board perform their duties with an eye toward consensus-building, bipartisanship, and with mutual respect for one another's views. I look forward to working with my colleagues on the Board, the President, the Commissioner of Social Security, Members of this Committee and the United States Congress more generally, and interested stakeholders should I be confirmed.

Thank you again, Mr. Chairman, Senator Hatch, and Members of the Committee, for the privilege of appearing before you today. I look forward to earning your support and would be pleased to respond to your questions.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. **Name: (Include any former names used.)**

Lanhee Joseph Chen

2. **Position to which nominated:**

Member, Social Security Advisory Board

3. **Date of nomination:**

September 30, 2013

4. **Address: (List current residence, office, and mailing addresses.)**

5. **Date and place of birth:**

July 4, 1978; Fayetteville, North Carolina

6. **Marital status: (Include maiden name of wife or husband's name.)**

7. **Names and ages of children:**

8. **Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)**

Secondary: John A. Rowland High School, Rowland Heights, CA, Attended September 1991 to June 1995, High School Diploma awarded June 1995

College: Harvard College, Cambridge, MA, Attended September 1995 to June 1999, A.B. *magna cum laude* in Government awarded June 1999

Law School: Harvard Law School, Cambridge, MA, Attended September 2004 to June 2007, J.D. *cum laude* awarded June 2007

Graduate School: Harvard Graduate School of Arts & Sciences, Cambridge, MA Attended September 2000 to June 2009, A.M. in Political Science awarded June 2004, Ph.D. in Political Science awarded June 2009

9. **Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)**

Lecturer in Public Policy, Stanford University, Stanford, CA (April 2013 – Present)

Columnist, Bloomberg LP, New York, NY (March 2013 – Present)

Research Fellow, Hoover Institution, Stanford University, Stanford, CA (February 2013 – Present)

Owner and Sole Proprietor, Launch Policy Strategies, A Public Policy Consulting Firm, Mountain View, CA (December 2012 – Present); also was self-employed doing public policy consulting work from July 2010 to January 2011 and July 2000 to July 2001

Policy Director, Romney for President, Inc., Boston, MA (April 2011 – November 2012);

Policy Director, Free & Strong America PAC, Lexington, MA (January 2011 – April 2011)

Policy Director, Poizner for Governor, Sacramento, CA (May 2009 – June 2010)

Associate Attorney, Gibson, Dunn & Crutcher LLP, Los Angeles, CA (November 2008 – May 2009);

Senior Counselor to the Deputy Secretary, U.S. Department of Health and Human Services, Washington, DC (May 2008 – November 2008)

Domestic Policy Director, Romney for President, Inc., Boston, MA (June 2007 – February 2008)

Summer Associate, Gibson, Dunn & Crutcher LLP, Los Angeles, CA (May 2006 – August 2006)

Summer Associate, Paul, Hastings, Janofsky & Walker LLP, Los Angeles, CA (May 2005 – August 2005)

Teaching Fellow, Harvard University, Cambridge, MA (September 2002 – May 2005); I taught several undergraduate courses over the course of several years during my time as a doctoral student at Harvard's Graduate School of Arts and Sciences

Winnie Neubauer Visiting Fellow in Health Policy Studies, The Heritage Foundation, Washington, DC (May 2003 – August 2003)

Legislative Representative, The ERISA Industry Committee, Washington, DC (July 2001 – August 2002)

Staff Assistant, APCO Worldwide, Inc., Washington, DC (July 1999 – January 2000)

10. **Government experience:** (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

None.

11. **Business relationships:** (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

Owner, Launch Policy Strategies, Mountain View, CA Public Policy Consulting Sole Proprietorship, December 2012 – Present

Advisory Board Member, Partnership for the Future of Medicare, Marietta, GA 501(c)(4) Nonprofit Organization, May 2013 – Present

12. **Memberships:** (List all memberships and offices held in professional,

(fraternal, scholarly, civic, business, charitable, and other organizations.)

State Bar of California (Bar No. 258185, Admitted December 2, 2008; Inactive Status as of February 1, 2012)

13. Political affiliations and activities:

- a. **List all public offices for which you have been a candidate.**

None.

- b. **List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.**

Senior Advisor, National Republican Senatorial Committee (2013 - Present);
Delegate and Member of the Committee on Initiatives, California Republican Party (2013 - Present);
Policy Director, Romney for President, Inc. (2011-2012);
Policy Director, Free & Strong America PAC (2011);
Policy Director, Poizner for Governor (2009-2010);
Domestic Policy Director, Romney for President, Inc. (2007-2008);
Health Policy Adviser, Bush-Cheney 2004 (2004).

- c. **Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.**

September 15, 2011: Cotton for Congress (FEC No. C00499988), \$125

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)

Research Fellowship, Hoover Institution, Stanford University (February 2013 – Present);
Earned J.D. *cum laude*, Harvard Law School (June 2007);
Certificate of Distinction in Teaching, Derek Bok Center for Learning and Teaching, Harvard University (earned multiple times between September 2003 and June 2005);
Thomas E. Upham Class of 1868 Scholarship, Harvard University (September 2000 – June 2001; September 2002 – June 2003);
Winnie Neubauer Visiting Fellowship in Health Policy Studies, The Heritage Foundation (May 2003 – August 2003);
Earned A.B. *magna cum laude*, Harvard College (June 1999);
John Harvard Scholar, Harvard College (February 1996 – June 1999);

Harvard College Scholar, Harvard College (September 1995 – January 1996);
Dean's List, Harvard College (September 1995 – June 1999).

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

I have done my best to identify all titles, publishers and dates of all books, articles, reports or other publications, including a thorough review of my personal files and searches of publicly available electronic databases. Despite my searches, there may be other materials that I have been unable to identify, find or remember. I have located the following:

ACADEMIC AND POLICY WRITINGS

Chen, Lanhee J. and Andrew Reeves. "Turning Out the Base or Appealing to the Periphery? An Analysis of County-Level Candidate Appearances in the 2008 Presidential Campaign." *American Politics Research*, Vol. 39, No. 3, May 2011, Pp. 534-556.

Chen, Lanhee. *Essays on Elections*. Dissertation, Harvard University. Ann Arbor: ProQuest/UMI, 2009. (Publication No. 3365220).

Chen, Lanhee. "How Obamacare Burdens Already Strained State Budgets." *Heritage Foundation Backgrounder*, No. 2489, November 10, 2010. Available at: http://s3.amazonaws.com/thf_media/2010/pdf/bg2489.pdf.

Reeves, Andrew, Lanhee J. Chen, and Tiffany Nagano. "A Reassessment of 'The Methods behind the Madness: Presidential Electoral College Strategies, 1988-1996.'" *Journal of Politics*, Vol. 66, No. 2, May 2004, Pp. 616-620.

Chen, Lanhee. "What Seniors Will Lose with a Universal Medicare Drug Entitlement." *Heritage Foundation Backgrounder*, No. 1680, August 26, 2003. Available at: http://s3.amazonaws.com/thf_media/2003/pdf/bg1680.pdf.

Chen, Lanhee. "How the Senate Medicare Drug Bill Would Raise Senior Citizens' Out-of-Pocket Drug Costs." *Heritage Foundation WebMemo*, No. 312, July 15, 2003. Available at: <http://www.heritage.org/Research/Reports/2003/07/How-the-Senate-Medicare-Drug-Bill-Would-Raise-Senior-Citizens-Out-of-Pocket-Drug-Costs>.

Chen, Lanhee, Edmund Haislmaier, Robert Moffit, and Nina Owcharenko. "An Analysis of House Medicare Legislation." *Heritage Foundation WebMemo*, No. 302, June 25, 2003. Available at: <http://www.heritage.org/Research/Reports/2003/06/An-Analysis-of-House-Medicare-Legislation>.

RECENT OPINION PIECES

Chen, Lanhee J. "How Republicans Can Benefit From Immigration Reform," *Bloomberg View*, December 5, 2013

Chen, Lanhee J. "Obamacare's New Blank Check for Insurers," *Bloomberg View*, November 21, 2013

Chen, Lanhee J. "Where Would Obamacare Be With Romney at the Wheel?," *Bloomberg View*, November 1, 2013

Chen, Lanhee J. "Let's Fight Obamacare by Getting Out of the Way," *Bloomberg View*, October 18, 2013

Chen, Lanhee J. "Fix Immigration Law and California Will Be In Play," *Bloomberg View*, October 3, 2013

Wong, Alex and Lanhee J. Chen. "Nonessential," *Foreign Policy*, October 2, 2013

Chen, Lanhee J. "To Fix Medicaid, We Need to Spend Less Money On It," *Bloomberg View*, September 19, 2013

Chen, Lanhee J. "Obamacare Doctor Rationing Begins In California," *Bloomberg View Ticker*, September 16, 2013

Chen, Lanhee J. "Health Savings Accounts As Antidote to Obamacare," *Bloomberg View*, September 2, 2013

Chen, Lanhee J. "On Republican Priorities, Obama May Have a Point," *Bloomberg View*, August 16, 2013

Chen, Lanhee J. "Opportunity for Immigration Reform, Yet Many Obstacles Remain," *Advancing a Free Society Blog at the Hoover Institution*, August 13, 2013

Chen, Lanhee J. and Topher Spiro. "Bipartisan Health Reform that Works," *POLITICO*, August 5, 2013

Chen, Lanhee J. "Even California Liberals Should Reject Jerry Brown," *Bloomberg View*, July 25, 2013

Chen, Lanhee J. "Fix Doctors' Pay and Improve Health, Too," *Bloomberg View*, July 2, 2013

Chen, Lanhee J. "Immigration Reform: Tricky Issues Remain in the Battle Over Comprehensive Immigration Reform," *Advancing a Free Society Blog at the Hoover Institution*, June 13, 2013

Chen, Lanhee J. "The Immigration Issue Republicans Must Address," *Bloomberg View*, May 27, 2013

Chen, Lanhee J. "California Fudges the Math on Obamacare," *Bloomberg View Ticker*, May 24, 2013.

Chen, Lanhee J. "How Republicans Can Win Over Asian Americans," *Bloomberg View*, April 18, 2013

Chen, Lanhee J. "Tavenner Must Dispel Notion Obamacare Is Playing Favorites," *Bloomberg View Ticker*, April 12, 2013

Chen, Lanhee J. "How Obamacare Will Distort the Health-Care Market," *Bloomberg View*, April 7, 2013

Chen, Lanhee J. "How Changes to Obamacare Can Cut the Deficit," *Bloomberg View*, March 20, 2013

Leavitt, Michael and Lanhee J. Chen. "Obama, GOP Need To Act Faster When They Agree," *USA Today*, March 11, 2013

Chen, Lanhee J. "What Obama Isn't Telling You About Sequestration," *Bloomberg View Ticker*, February 28, 2013

Chen, Lanhee J. "The Democrats' Cynical Ploy," *National Review Online*, November 16, 2012

16. **Speeches:** (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)

None.

17. **Qualifications:** (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

The Social Security Advisory Board (“SSAB”) plays an important role in providing key policymakers, including the President and Congress, with plausible policy alternatives to ensure the solvency of Social Security, the promotion of economic security in retirement, and proper coordination between efforts to promote health and economic security for America’s seniors. These are all laudable goals, and ones that I look forward to promoting, if confirmed by the Senate.

I believe that I possess the necessary experience, expertise, and judgment to serve as a member of the SSAB. During the last decade, I have participated in numerous policy debates over the future of Social Security. I have addressed specific proposals to ensure the solvency of the program, served in senior policymaking roles relevant to the work of the SSAB, studied potential reforms to Social Security at some of the country’s leading policy research institutions, and taught at the university level about the politics of entitlement program reform.

My experience on major political campaigns has given me a unique understanding of the role that politics will play in influencing major entitlement policy reforms. This experience this will help to ensure that the SSAB provides recommendations that both address policy imperatives and garner bipartisan support.

Finally, I believe that I offer a different perspective from other members of the Board by virtue of the fact that Social Security benefits are likely at least thirty years away for me. Many in my generation and those younger than me are skeptical that they will ever see a penny of the benefits from a program to which they will contribute to their entire working careers. Reforming the program to ensure its solvency for my generation and beyond is a particular interest and concern of mine—and represents a point of view that is currently lacking on the SSAB.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. **Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.**

I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest regarding my investments, obligations, liabilities or other relationships and the position to which I have been nominated. I have signed an ethics agreement that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire.

2. **Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.**

Yes. I will pursue only those plans, commitments, agreements or outside employment that are consistent with the ethics agreement attached to this questionnaire, which includes my current employment with the Hoover Institution, Stanford University and work for clients as owner of my public policy consulting sole proprietorship, Launch Policy Strategies.

3. **Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.**

No.

4. **If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.**

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. **Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.**

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Social Security Administration's designated agency ethics official (DAEO) to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Administration's DAEO and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

2. **Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.**

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Social Security Administration's designated agency ethics

official (DAEO) to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Administration's DAEO and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. **Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.**

Because of my professional responsibilities on behalf of candidates for state and federal office, as well as my own career in policy research, writing, and public commentary, I have advocated in favor of or argued against several pieces of legislation in the following policy areas: health policy; economic policy; fiscal policy; and retirement security policy. Most recently, I have called for repeal, delay, or modification of the Affordable Care Act, argued for reforms to strengthen and preserve Medicare, and advocated in favor of comprehensive immigration reform legislation.

4. **Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.)**

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Social Security Administration's designated agency ethics official (DAEO) to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Administration's DAEO and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

5. **Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.**
6. **The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:**

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a

description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

Not Applicable.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None, to my knowledge.

E. **TESTIFYING BEFORE CONGRESS**

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

Opening Statement

Senate Finance Committee

Alan L. Cohen

Nomination to be a Member of the Social Security Advisory Board

May 8, 2014

Chairman Wyden, Ranking Member Hatch, Senator Warner, and Senators on the Finance Committee, it is a great honor to appear before you today as a nominee to be a member of the Social Security Advisory Board. I want to thank President Obama for nominating me for this position. I greatly appreciate this opportunity for public service that he has given me.

In addition, I want to thank Chairman Max Baucus for giving me the chance to serve this Committee as a staff member for the eleven and one-half years from 2001 to 2012. Similarly, I will always be grateful to the late Chairman Lloyd Bentsen for giving me the opportunity to serve as a staff member for the Finance Committee in 1992. In view of these past associations of mine with this Committee, it is a special privilege to come before you now for your consideration of my nomination.

The Social Security program provides for wage replacement for workers and their families when the principal earner in the family retires, becomes disabled, or dies. Without this program, many of these families would face very difficult financial situations. That is why this program is so important.

The Social Security Advisory Board makes recommendations for the Social Security program to the President, the Congress, the Commissioner of Social Security, and interested citizens. Given the importance of the Social Security program, the work of this Advisory Board is important as well. That is why serving on this Board would be a great honor for me.

I believe that my educational and professional experiences make me ideally suited to serve on this Board. With regard to my education, I earned a B.A. in 1972 from Grinnell College in Grinnell, Iowa. I received a Master's degree in Public Policy in 1975 from the Gerald R. Ford School of Public Policy at the University of Michigan's Ann Arbor campus. Finally, I received a Ph.D. in Economics in 1979 from the University of Wisconsin in Madison, Wisconsin.

With regard to my professional experience, I was the analyst for the Social Security program for the Democratic staff of the Senate Budget Committee from 1983 through 1991. In that position, I was responsible for studying all of the issues related to the financing, policy

development, and administration of the program. From 1993 to 2000, I held the position of Senior Advisor to the Secretary of the Treasury for Budget and Economics. The Secretary of the Treasury serves as the Managing Trustee of the Social Security Trust Fund. In that role, the Secretary was a major participant in all of the discussions within the Administration regarding Social Security's finances. I advised the Secretary as he prepared for all of these discussions. Finally, from 2001 to 2012, I served on the Democratic staff of the Senate Finance Committee as the Chief Counselor for Social Security to the Chairman of the Committee. In the Senate, the Finance Committee has wide jurisdiction over the Social Security program. As a result, it plays a critical role in the financing, policy development, and administration of Social Security. In my position as Chief Counselor, I advised Chairman Baucus on all of these matters. My work as Chief Counselor has been especially important in preparing me for the work I would do if confirmed to be a member of the Social Security Advisory Board.

Before I conclude, I want to especially thank a number of people who have been instrumental in the development of my life and my career. This includes my brother Barry Cohen, and my partner, Valerie Nelkin, both of whom are here today. It includes my sister-in-law, Robbie Cohen, who could not be here today because of job-related responsibilities. And it includes my aunts and uncles, all of whom have already passed away. But of greatest importance, it includes my father, Dr. Abraham G. Cohen, and my mother, Ruth Cohen. My mother died in 1974 and my father passed away two years later. Unfortunately, they never had the joy and the pride of seeing many of the things I have accomplished in my career. But while they were alive, their guidance, their support and their inspiration to me made me what I am today. I can never thank them enough for what they did for me!

Again, I thank the Committee for asking me to appear here today. I would be pleased to answer any questions that you may have for me.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.) Alan Lloyd Cohen
2. Position to which nominated: Member, Social Security Advisory Board
3. Date of nomination: September 30, 2013.
4. Address: (List current residence, office, and mailing addresses.).

5. Date and place of birth: January 7, 1950 New York, NY.
6. Marital status: (Include maiden name of wife or husband's name.):
7. Names and ages of children:
8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Cherry Lawn School, Darien, CT, 1966-1968, High School degree, 1968
Grinnell College, Grinnell, IA, 1968-1972. BA in Physics, 1972
University of Michigan, 1973-1975, Master of Public Policy, 1975
University of Wisconsin, 1975-1979, Ph.D. in Economics, 1979
9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)
 - a. Senior Budget Advisor and Chief Counselor for Social Security, Senate Finance Committee, Washington D.C. February 2001 – July 2012
 - b. Senior Advisor to the Secretary of the Treasury for Budget and Economics, U.S. Treasury, Washington D.C. January 1993 – January 2001

- c. Budget Advisor, Domestic Policy Office - detailee. Office of the Vice-President. Washington D. C. August, 1999 – March 2000.
- d. Budget Economist, Senate Finance Committee, Washington D.C. March 1992 – January 1993
- e. Assistant Staff Director for Budget Priorities, Senate Budget Committee, Washington D.C. January 1987 – March 1992
- f. Senior Economist, Senate Budget Committee, Washington D.C. February 1983 – January 1987
- g. Policy Analyst/Economist, Department of Health and Human Services, Washington D.C. December 1978 – February 1983
- h. Research Assistant, Institute for Research on Poverty, University of Wisconsin, Madison, Wisconsin. August 1975 to June 1977.
- i. Student Assistant, Office of Management and Budget. Washington D.C. May 1974 to August 1974.
- j. Computer Programmer, Metropolitan Life Insurance Co., New York, N.Y. July 1972 – June 1973

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

Mayor Patsy Ticer's Representative to the Budget and Fiscal Affairs Advisory Committee, Alexandria, VA. 1992-1996

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

None.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

- a. National Academy of Social Insurance, Washington, DC. August 2003 to present.
- b. American Economic Association. Member for several years. Dates uncertain.
- c. Foxwood Place Tennis Club. Officer. 1979-1989
- d. National Democratic Club. Member for several years. Dates uncertain
- e. Phi Kappa Phi Honorary Society. Member 1978 to present.
- f. Alumni Association of the University of Michigan. Member through the present, for many years.
- g. Wisconsin Alumni Association. Member through the present, for many years.
- h. University of Michigan Club of Washington D.C. Member through the present, for many years.

- i. University of Wisconsin Club of Washington D.C. Member for several years. Dates uncertain.
 - j. Ski Club of Washington D.C. Member through the present, for many years.
 - k. Wisconsin State Society. Member through the present for many years.
13. Political affiliations and activities:
- a. List all public offices for which you have been a candidate.
None.
 - b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.
 - 1. 2013 Grass Roots Worker, Terry McAuliffe for Governor.
 - 2. Advisor, 2012, Allison Silberberg for City Council, Alexandria VA.
 - 3. Neighborhood Team Leader, 2012 Obama for America; Virginia. Alexandria VA.
 - 4. Member, Alexandria Democratic Committee, Alexandria VA. 1985 to present.
 - c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.
This chart contains all the contributions I was able to document for the requested time-period (through 10/23/2013). There may be others but I no longer have documentation of such contributions.

NAME	DATE	AMOUNT
Erskine Bowles	12/10/2003	1000
Erskine Bowles	5/18/2004	250
Tim Kaine	8/30/2012	300
Tim Kaine	9/30/2012	300
Hillary Rodham Clinton	4/4/2005	250
Hillary Rodham Clinton	6/16/2006	250
Hillary Rodham Clinton	3/31/2007	1000
Hillary Rodham Clinton	6/30/2007	1000
Hillary Rodham Clinton	9/26/2007	260
Hillary Rodham Clinton	9/26/2007	740
Hillary Rodham Clinton	12/25/2007	1000
Hillary Rodham Clinton	8/28/2008	1740
Democratic Congressional Campaign Committee	12/17/2003	350
Judy M. Feder	11/2/2006	200
Judy M. Feder	11/2/2006	200

NAME	DATE	AMOUNT
Democratic Senatorial Campaign Committee	4/25/2005	250
Democratic Senatorial Campaign Committee	6/16/2006	500
Democratic Senatorial Campaign Committee	9/30/2012	500
Democratic Senatorial Campaign Committee	1/26/2004	500
Democratic Senatorial Campaign Committee	8/12/2004	500
Democratic National Committee	3/22/2005	250
John Kerry For President	7/23/2004	1000
Democratic Party of Virginia	12/19/2012	500
Obama Victory Fund 2012	11/3/2012	500
Kerry Victory 2004	7/22/2004	1000
Democratic National Committee	11/3/2012	500
John Kerry For President Inc.	7/22/2004	1000
Terry McAuliffe For Governor	12/7/2012	5
Del Pepper for City Council (Alexandria, VA)	6/8/2012	100
Democratic Senatorial Campaign Committee	4/24/2012	500
Obama For America	8/30/2012	2500
Friends of Tobias Read	9/29/2012	200
Powell for Congress	9/30/2012	50
Obama For America	9/30/2012	2500
Nebraskans for Kerry	10/20/2012	40
Nebraskans for Kerry	10/31/2012	25
Kaine for Virginia	11/4/2012	50
Democratic Congressional Campaign Committee	7/21/2011	100
George Barker for State Senate	11/5/2011	50
Friends of Tobias Read	8/25/2010	150
Democratic Congressional Campaign Committee	2/22/2010	100
Donations to Democrats	10/31/2009	100
Creigh Deeds for Governor of VA	10/31/2009	200
Friends of Tobias Read	11/13/2009	75
Donations to Democrats	6/26/2009	85
Donations to Democrats	6/1/2009	100
Democratic National Committee	4/30/2009	150
State Party Victory Fund (VA Democrats)	5/15/2009	150
Democratic Congressional Campaign Committee	1/3/2009	50
Donations to Democrats	1/10/2009	100
Democratic Congressional Campaign Committee	12/9/2008	50
Donations to Democrats	12/12/2008	25
Democratic Senatorial Campaign Committee	12/5/2008	500
Obama For America	9/30/2008	2300
Obama For America	8/25/2008	2300

NAME	DATE	AMOUNT
Judy M. Feder	7/1/2008	100
Democratic National Committee	4/30/2008	200
Judy Feder for Congress	3/29/2008	200
Democratic Congressional Campaign Committee	1/2/2008	100
Democratic Senatorial Campaign Committee	7/19/2007	100
Democratic Party of Virginia	2/28/2007	100
Harold Ford Jr. for Tennessee	11/2/2006	200
James Webb For Senate	11/3/2006	500
James Webb For Senate	10/3/2006	200
Democratic Senatorial Campaign Committee	10/12/2006	100
Friends of Tobias Read	9/9/2006	100
National Jewish Democratic Council	6/8/2006	250
Democratic Congressional Campaign Committee	5/1/2006	100
National Jewish Democratic Council	11/21/2005	75
National Jewish Democratic Council	12/12/2005	250
Kaine for Governor	11/7/2005	500
Virginia House Democratic	10/11/2005	100
Democratic Congressional Campaign Committee	6/20/2005	100
Friends of Hillary Clinton	6/29/2005	125
John Kerry for President	8/5/2004	25
Democratic Party of Virginia	6/17/2004	50
John Kerry for President	12/30/2003	100
State Democratic Party VA	1/13/2004	100
Friends of Hillary Clinton	3/24/2005	250
Friends of Bill Euille	1/21/2006	50
O'Donnell for Congress	10/3/2006	40
Ticer for Senate (VA state Senate)	6/4/2006	100
Ticer for Senate (VA state Senate)	12/31/2004	100
Del Pepper for City Council (Alexandria, VA).	1/18/2003	100
Alexandria Democratic Committee	6/16/2003	65
Alexandria Democratic Committee	6/13/2003	125
Alexandria Democratic Committee	6/6/2005	75
Alexandria Democratic Committee	6/6/2005	125
Alexandria Democratic Committee	6/23/2006	75
Alexandria Democratic Committee	8/4/2008	125
Alexandria Democratic Committee	12/5/2011	150
VA Dollars for Democrats	10/2/2003	35
Win VA 2008	9/19/2008	100
Citizens to Preserve Dewey Beach	2/29/2008	150
Alexandria Democratic Committee	9/8/2009	150
Pepper for Council (Alexandria, VA)	1/25/2009	100

Allison Silberberg for Council	8/13/2012	500
Alexandria Democratic Committee	10/1/2012	125
Allison Silberberg for Council	9/20/2012	50
Del Pepper for Council (Alexandria, VA).	10/1/2012	100
Del Pepper for Council (Alexandria, VA).	10/7/2012	25
Silberberg for City Council (Alexandria, VA)	3/25/2012	100
Democratic Congressional Campaign Committee	1/17/2013	100
Perriello for Congress	3/29/2008	50
Democratic Senatorial Campaign Committee	7/7/2003	110
Alexandria Democratic Committee	10/11/2004	125
Barbara Brenman for Council (Alexandria VA)	1/4/2003	250
John Kerry for President	9/10/2003	100
Chopra for Virginia	2/5/2013	50
Democratic Senatorial Campaign Committee	2/22/2013	50
Democratic Congressional Campaign Committee	2/26/2013	100
Democratic Congressional Campaign Committee	3/20/2013	100
Democratic Congressional Campaign Committee	4/14/2003	109
Patsy Ticer for Senate	1/4/2003	100
Alexandria Democratic Committee	4/7/2013	150
Alexandria Democratic Committee	7/7/2007	125
Alexandria Democratic Committee	7/7/2010	125
Mark Warner for U.S. Senate	12/4/2007	?
Brian Moran for Governor of Virginia	4/6/2009	?
Jeanette Rishel for Congress	5/27/2009	<200
House Democrats	3/29/2013	30
House Democrats	4/18/2013	10
House Democrats	4/30/2013	5
Terry McAuliffe For Governor	5/1/2013	8
House Democrats	5/2/2013	35
House Democrats	6/29/2013	50
Organizing for Action	6/30/2013	50
Terry McAuliffe For Governor	6/30/2013	5
Democratic Congressional Campaign Committee	9/5/2013	100
Donate to Democrats	9/8/2013	80
Terry McAuliffe For Governor	10/17/2013	100
State Democratic Party WA	10/9/2013	100
Terry McAuliffe For Governor	3/1/2013	8
Ed Deitsch for Delegate (VA House)	9/26/2013	100
Democratic Governors' Association	10/23/2013	17.5
Democratic Congressional Campaign Committee	10/23/2013	200
Democratic Congressional Campaign Committee	8/27/2013	100
Allison Silberberg for Council	5/17/2012	200
Democratic Senatorial Campaign Committee	11/05/2008	500

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)

1. Certificate from U.S. Senate for 20 years of Service. 2012
2. The Treasury Medal. U.S. Department of the Treasury. 2001
3. Secretary's Certificate, U.S. Department of the Treasury. 2000
4. IRS Commissioner's Award, Internal Revenue Service. 1994
5. Inducted into Phi Kappa Phi Honor Society, University of Wisconsin Chapter. 1978
6. Grant from National Institute of Mental Health for Dissertation Research. 1977 to 1978
7. H. George Apostle Prize as Outstanding Senior Physics Major, Grinnell College. 1972

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.):

I have done my best to identify all titles, publishers and dates of all books, articles, reports or other publications, including a thorough review of my personal files and searches of publicly available electronic databases. Despite my searches, there may be other materials that I have been unable to identify, find or remember. I have located the following:

Energy Assistance Schemes: Review, Evaluation, and Recommendations; Alan L. Cohen and Kevin Hollenbeck in High Energy Costs: Assessing the Burden, published by Resources for the Future, 1982

Economics, Marital Instability and Race. Ph.D. Dissertation. University of Wisconsin - Madison. 1979

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.):

None.

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

The Social Security Advisory Board is responsible for analysis and recommendations for the financing, policy development, and administration of the Social Security program. I have had significant experience with each of these areas of the Social Security program throughout my career. From 1983 to 1992, I was the analyst/economist for the Social Security program for the Democratic staff of the Senate Budget Committee. In that position, I analyzed all of the issues related to the financing, policy development and the administration of the program. From 1993 to 2001, I was the Senior Advisor to the Secretary of the Treasury for Budget and Economics. The Secretary of the Treasury is the Managing Trustee of the Social Security Trust Fund. As such, the Secretary is a major player in all of the discussions within the Administration that concern the financing of the Social Security program. I helped to advise the Secretary for these discussions. Finally, from 2001 to 2012, I served as the Chief Counselor for Social Security for the Democratic staff of the Senate Finance Committee. The Committee plays a critical role in the enactment of legislation for the financing, policy development and administration of the Social Security program. In my role as Chief Counselor, I was involved in advising the Chairman of the Committee on all of the issues related to such legislation (or in advising the Ranking Member, when the Democrats were in the minority). The combination of all of these career experiences makes me well qualified to serve as a member of the Social Security Advisory Board, if confirmed.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

I have consulted with representatives from the U.S. Office of Government Ethics and the Designated Agency Ethics Official for the Social Security Administration regarding potential conflicts of interest regarding my investments, obligation, liabilities or other relationships and the position to which I have been nominated. I have signed an ethics agreement that details the actions I will take to avoid any potential conflicts of interest. I have provided a copy of the agreement with this questionnaire.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

Yes. And I will pursue only those plans, commitments, or agreements for outside employment that are consistent with the ethics agreement attached to this questionnaire.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Social Security Administration's designated agency ethics official (DAEO) to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Administration's DAEO and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Social Security Administration's designated agency ethics official (DAEO) to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Administration's DAEO and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

None.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with two copies of any trust or other agreements.) See the written opinions provided for item # 5.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Social Security Administration's designated agency ethics official (DAEO) to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Administration's DAEO and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

5. Two copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.
6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

Yes. I was one of the Plaintiffs in a suit concerning defective construction of common elements of my townhouse condominium development. Alan L. Cohen et al. v. Coscan Washington, Inc. et al., Circuit Court for the City of Alexandria, Law No. CL 910208, filed 3/13/91. My suit was dismissed with prejudice on 11/27/91, when a separate suit filed by the Homeowners Association was settled in 1991. I did not receive anything in the settlement because my home was not impacted by the sinking soil at issue.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

UNITED STATES SENATE
COMMITTEE ON FINANCE
HEARING TO CONSIDER THE NOMINATION OF ALAN L. COHEN
MAY 8, 2014
QUESTIONS FOR ALAN L. COHEN

Questions from Ranking Member Hatch

Question 1

Dr. Cohen, in a recent hearing in one of our Subcommittees, AARP cited a study that it had performed on economic effects of Social Security benefits, abstracting from how they are financed. According to their conclusions, the \$775 billion of Social Security benefit payments in 2012, through the magic of Keynesian multipliers, supported over 9.2 million jobs and a whopping \$1.4 trillion in economic output, which would have been almost ten percent of GDP. According to their numbers, every dollar of Social Security benefits supports around two dollars of output.

Dr. Cohen, do you think that I should view those results, such as the result that Social Security benefit payments support around \$1.4 trillion of GDP, to be in the ball park, or could there be reasons to question those numbers?

Answer:

I preface my answer by noting that as I have not seen the study, I cannot definitively analyze its results. Having said that, I would indicate that an analysis of the Keynesian effects of Social Security benefits does not seem complete without any information on how those benefits are financed.

Question 2

Dr. Cohen, you have raised the issue of Social Security funding (particularly, Social Security's Limitation on Administrative Expenses [LAE]) during the process of consideration of your nomination. Do you view it to be a responsibility of Social Security Advisory Board members to advocate for additional funding for the Social Security administration above levels that Congress decides to provide? Would you use your position, if confirmed, on the advisory board as a base from which to advocate additional funding for particular activities that the Social Security Administration performs or, perhaps, general levels of LAE funding? If so, what is the basis for the levels of funding that you believe are warranted?

Answer:

The mission statement for the Advisory Board indicates that the purpose of the Board is to advise the Congress (as well as the President and the Commissioner of Social Security). In addition, the authorizing legislation's list of specific functions of the Advisory Board includes the following two items:

1. Making recommendations with respect to the quality of service the (Social Security) Administration provides to the public.
2. Making recommendations with respect to such other matters as the Board determines to be appropriate.

The quality of service to the public provided by the Social Security Administration (SSA) can easily be affected by the size of the budget for SSA's administrative costs. Therefore, under item 2 above, the Board can make recommendations on the size of SSA's budget for administrative costs, if it chooses to do so.

To make recommendations on the levels of funding for SSA's budget for administrative costs, the Board can use:

1. The President's Budget
2. The Justification of Estimates for Appropriations Committees (from SSA), including detailed information on workloads and backlogs for services to the public
3. The initial budget proposed to OMB by the Commissioner of Social Security – which is included in the President's Budget

**STATEMENT OF HON. ORRIN G. HATCH, RANKING MEMBER
U.S. SENATE COMMITTEE ON FINANCE HEARING OF MAY 8, 2014
NOMINATIONS OF DARCI L. VETTER, STEFAN M. SELIG, HENRY J. AARON,
LANHEE J. CHEN, AND ALAN L. COHEN**

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing on trade and Social Security Advisory Board nominations:

Mr. Chairman, thank you for holding today's hearing. I also want to thank our nominees for joining us.

To begin, I'd like to talk about our trade nominees. I believe both of these nominees are extremely qualified and well-suited to the tasks ahead of them.

Mr. Selig, let me start with you.

As you know, I, along with former Chairman Baucus and Chairman Camp, introduced the Bipartisan Congressional Trade Priorities Act of 2014 in January. Commerce Secretary Pritzker commended the introduction of the bill and said that it would "help in ... efforts to expand market access for American businesses, ensure a level playing field for companies selling their goods abroad, and support the creation of more American jobs."

Unfortunately, the rest of the Administration has not been so vocal.

As you know, Trade Promotion Authority – which our bill would renew – is how Congress establishes the objectives for U.S. trade negotiations, sets consultation requirements for the administration, and assures our trading partners that a completed deal will have a path for consideration by Congress.

And frankly, Mr. Selig, without TPA, the President's trade agenda – which is extremely ambitious – will fail. I hope you share this sense of urgency and that, if confirmed, you will be a strong advocate for renewing TPA in short order.

Now, Mr. Chairman, if I might, I'd like to make one observation about Mr. Selig's nomination that should not go unnoticed.

As I understand Mr. Selig's background, he worked as a top executive at Bank of America during the most recent financial crisis. At times, he received bonuses for the work he performed there.

And, as we all know, many who worked on Wall Street in a similar capacity have been castigated by President Obama and by Democrats in Congress, often labeled as "fat cats" and the like.

On top of that, Mr. Selig has significant investments in overseas accounts.

We have learned that Mr. Selig was an investor in a partnership called "Sun Capital Partners V" which in 2010 was domiciled in the Walker House, of 87 Mary Street, George Town, Grand Cayman, Cayman Islands. In 2012 this partnership was domiciled at the now infamous Ugland House. Mr. Selig's Schedule 2012 K-1 notes that the value of his ending capital account was \$721,802.

Mr. Selig was also invested in a partnership called Conversus Capital, of Trafalgar Court, {Le Bank} St. Peter Port, Guernsey Channel Islands. Mr. Selig's Schedule 2012 K-1 notes that the value of his ending capital account was \$1,123,523.

This is not the first of President Obama's nominees to come before this committee to have these types of earnings and investments, all of whom were gladly and unanimously supported by my friends on the other side of the aisle.

Now, let me be clear: I don't believe Mr. Selig has done anything wrong. I don't condemn those who make their living on Wall Street and, as long as they've paid all their taxes, I don't have a problem with anyone who makes a foreign investment.

However, the obvious hypocrisy of the President and some his supporters in Congress should not go unnoticed. Indeed, we all remember during the 2012 campaign when President Obama characterized these types of investments as "betting against America."

I suspect that the vast majority of Democrats in the Senate will vote to confirm Mr. Selig – as they should. Yet, I doubt that the class warfare rhetoric against Wall Street, against success in the private sector, and against overseas investments will slow down at all.

Like I said, this is not a knock against Mr. Selig or anyone else for that matter. I simply believe that the inconsistency and often unfair attacks levied against people who have done similar work in the private sector shouldn't go unnoticed.

That said, let's move on to talk about Ms. Vetter's nomination.

Ms. Vetter, as you well know from your current position as Deputy Under Secretary at the Department of Agriculture, the tasks ahead of the Chief Agricultural Negotiator are daunting.

The success of the Trans-Pacific Partnership hinges on achieving a full and comprehensive agreement on agricultural products with Japan.

This is what has me concerned.

Japan has reportedly sought to exclude more than 500 agricultural product tariff lines from eventual tariff elimination.

This would be unprecedented.

The United States is party to 17 free trade agreements and only 33 tariff lines have ever been excluded from tariff reduction. That's 33 lines total across all 17 free trade agreements. Japan is seeking more than 500 in a single agreement.

Other nations are undoubtedly watching how the U.S. will address this issue.

If Japan is allowed to exclude products from liberalization, other TPP countries will soon follow, resulting in an even weaker agreement.

The Member States of the European Union are also watching.

If the Administration makes concessions to Japan, every other nation we negotiate with well into the future will demand similar treatment.

While, if confirmed, I hope you will be able to achieve a breakthrough with Japan soon, it is far more important to get this deal right than to get it done now. I expect that you will continue negotiating until you've reached an agreement on full and comprehensive liberalization with Japan.

These are just some of the issues you'll have to deal with as our Chief Agricultural Negotiator. I look forward to hearing your views on these matters during today's hearing.

Finally, Mr. Chairman, three of the nominees before us are for positions on the Social Security Advisory Board.

These are important positions, particularly given the challenges facing the Social Security system.

Of course, Dr. Aaron has already appeared before us having been previously nominated to serve as Chairman of the Advisory Board. My previous comments on his nomination still hold and, out of a desire to ensure that partisanship be kept at a minimum on the Board, I do not intend to support Dr. Aaron's renomination.

Mr. Chairman, I ask permission that my prior remarks about Dr. Aaron's nomination be entered into the record.

Our other two nominees to the Social Security Advisory Board – Dr. Chen and Dr. Cohen – like our two trade nominees, appear to be well-qualified and well-suited to serve in this important capacity. I look forward to hearing from them today.

As you can see, Mr. Chairman, we have a lot on our plate today.

Thank you, once again.

###

September 8, 2014

Hatch Voices Opposition to Social Security Advisory Board Chairman Nomination

The Board Chair must be able to work toward gathering bipartisan consensus and avoid turning the Social Security Advisory Board into just another platform for political division and partisan rhetoric. It is necessary to consider Dr. Aaron's nomination from the perspective of bipartisanship.

In a speech on the Senate floor today, Finance Committee Ranking Member Orrin Hatch (R-Utah) reiterated his opposition to the nomination of Dr. Henry Aaron to chair the Social Security Advisory Board.

"Throughout much of his writings, Dr. Aaron has, far more often than not, opted for partisanship over sound policy. This not only makes me question his ability to be bipartisan, it also leads me to question his judgment on policy issues," said Hatch.

Below is the text of Hatch's full speech delivered on the Senate floor today.

Mr. President, today the Senate will vote on three nominees to positions on the Social Security Advisory Board.

Two of these nominees – Alan Cohen and Lanhee Chen – are well-suited for these positions, and, that being the case, I support their nominations.

However, I plan to vote against the remaining nominee, Dr. Henry Aaron, whom the President ultimately intends to serve as Chair of the Board. I'd like to take just a few minutes today to explain why I have reached this decision.

Over the past decade or so, Dr. Aaron has spent most of his time and efforts focusing on health care issues and advocacy. Indeed, the vast majority of writings that he offered in support of his nomination dealt with health care, not Social Security.

When the Finance Committee considered his nomination, I specifically asked Dr. Aaron if he had performed any Social Security analysis over the past decade. He couldn't produce anything substantive along those lines.

Now, there's nothing wrong with focusing one's energies on health care instead of analyzing Social Security policy. However, given the specific focus of the Social Security Advisory Board, I am concerned about the extent to which Dr. Aaron has considered Social Security issues and analytical advances in the field over the past decade or more.

It appears to me that Dr. Aaron's interests and skill-set make him better suited for a position in the health care arena, rather than advising on the current state of Social Security.

Dr. Aaron has written about Social Security more extensively in the past, but his conclusions were predominantly normative. And, his most recent Social Security writings too often imply that anyone disagreeing with his conclusions are dead wrong and likely have adverse motives.

In fact, this is a trend that pervades all of Dr. Aaron's writings.

Far too often, in addition to reaching conclusions and making recommendations, Dr. Aaron finds it necessary to condemn potential critics, usually along partisan lines.

Of course, I'm not one to vote against a nominee simply because I disagree with their policy prescriptions or their analytical techniques. I generally believe in giving reasonable deference to the President on nominations, particularly those involving positions designed to provide advice to the President and his administration.

The Social Security Advisory Board, however, is set up to provide bipartisan advice on Social Security issues to Congress and the Social Security Commissioner, as well as the President.

Given all the challenges facing Social Security, this type of advice is crucial. The Board Chair must be able to work toward gathering bipartisan consensus and avoid turning the Social Security Advisory Board into just another platform for political division and partisan rhetoric.

Therefore, it is necessary to consider Dr. Aaron's nomination from the perspective of bipartisanship.

Like I said, a nominee for Board Chair must demonstrate an ability to promote and garner bipartisan consensus. Unfortunately, the evidence does not convince me that Dr. Aaron would be able to set aside his partisan views and manage the Board in a bipartisan fashion that aims at consensus in both analysis and conclusions.

Throughout much of his writings, Dr. Aaron has, far more often than not, opted for partisanship over sound policy. This not only makes me question his ability to be bipartisan, it also leads me to question his judgment on policy issues.

For example, he has recently advocated that the President disregard the Constitution and ignore the statutory limit on federal debt.

He has praised the President for ignoring the law by unilaterally deciding not to enforce provisions of the Affordable Care Act, identifying the administration's failure to enforce law written by Congress and signed by the President himself as an act that "adroitly performs political jiu jitsu on Obamacare opponents."

He has written that the Independent Payment Advisory Board (IPAB), an agency with virtually unchecked power to ration Medicare spending, should be given even broader authority.

He has scolded states that have, fully within their rights, decided against expanding Medicaid as part of the Affordable Care Act rollout. Dr. Aaron used particularly vitriolic words to describe

state officials who opted not to expand Medicaid, saying that: “Officials in many states have adopted a stance reminiscent of massive resistance, the South’s futile effort to block implementation of the Supreme Court’s decision banning school segregation.”

When I asked Dr. Aaron a question at his confirmation hearing about the caustic nature of some of his comments, he alluded to writings for newspapers and op-eds as avenues in which inclusion of politically charged rhetoric is the “coin of the realm.”

That may very well be the case, Mr. President. But, that doesn’t mean there’s a place for it on the Social Security Advisory Board. I have serious concern about Dr. Aaron’s ability to keep such rhetoric in check as he chairs a board that is, by statute, intended to exhibit impartiality.

Once again, our Social Security system faces a number of fiscal and structural challenges. If we’re going to address these challenges, we need serious discussions that will lead to serious solutions, not more partisanship.

Dr. Aaron has not convinced me that he is the one to help lead these types of discussions.

For these reasons, I intend to vote against his confirmation.

I yield the floor.

**Testimony of
Stefan M. Selig
Nominee for Under Secretary for International Trade
United States Department of Commerce**

**Before the
Committee on Finance
United States Senate**

May 8, 2014

Chairman Wyden, Ranking Member Hatch, and Members of the Committee, I am honored to be under consideration for Under Secretary of Commerce for International Trade.

With me today is my wife of 13 years, Heidi Selig.

During the past weeks, I have had the opportunity to meet with many of you to discuss international trade and investment, and the International Trade Administration, which if confirmed, I would have the privilege of leading. Thank you for your time and for sharing your thoughts and insights. As we seek to strengthen our nation's recovering economy by creating jobs through expanded trade, increased business investment, and the enforcement of fair trade practices, your ongoing partnership will be critical, and I look forward to working with each of you, if confirmed.

I bring nearly 30 years of business and finance experience, working with companies in the private sector to create value, and I am honored that President Obama and Commerce Secretary Pritzker believe that I have the talent, energy, and ability to lead the ITA, the premier government resource for American companies competing in the global marketplace.

Throughout my career, I have built and maintained trusted strategic relationships with executives from companies around the world. I have advised clients across all industries on how to take advantage of global investment opportunities, and I have worked closely with companies as they combined their businesses to form new ventures. I have negotiated complex agreements, facilitated transformational deals, and developed partnerships among global entities. In addition, my experience directing teams across geographic regions while serving as Executive Vice Chairman of Global Corporate and Investment Banking at Bank of America should be highly useful in managing an organization of more than 2,100 dedicated public servants in more than 100 cities across the country and 72 countries throughout the world. I believe this background will serve me well, if I were to be confirmed.

If confirmed, I will work closely with ITA's experts to develop strategies to increase U.S. exports that boost growth and support good jobs throughout the United States. With 95% of the world's consumers residing outside of our borders, it is critical that we get U.S. businesses, especially small and mid-sized companies, to expand their strategic vision to include opportunities in the global markets. The health of the American economy, and the American worker, is more closely tied to global markets than ever before, and our country can no longer rely on just our domestic markets for growth and jobs – we can and should be exporting more.

An additional responsibility of the position for which I have been nominated is to attract, retain, and expand foreign direct investment in the United States. While the United States remains the world's largest economy and the most popular destination for foreign investment, there are a number of positive secular trends that should allow us to attract even more inbound business investment to our country. My career has been spent advocating for my clients so they can accomplish their strategic goals, and if confirmed as Under Secretary, I will employ this very same impassioned advocacy as a voice for U.S. businesses and workers, economic development organizations, municipalities, communities, and other organizations.

Finally, if confirmed, I will ensure that Commerce continues, and builds upon, its commitment to the strong enforcement of our trade laws - ensuring that domestic industries and workers are not harmed from unfairly traded imports or unfair trade practices. I will also work to address and remove trade barriers that impede U.S. exporters and investors from competing fairly abroad.

In closing, I believe very strongly that we must do everything we can to help American companies –regardless of their size – succeed in the global marketplace. We also must continue to reinforce the message that American goods and services are second to none, and that the United States remains the most attractive destination for business investment.

I am truly honored to be considered for the opportunity to serve my country, and I look forward to your questions.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.)

Stefan M. Selig

2. Position to which nominated:

Under Secretary for International Trade, U.S. Department of Commerce

3. Date of nomination:

November 12, 2013

4. Address: (List current residence, office, and mailing addresses.)

5. Date and place of birth:

March 16, 1963 – New York, NY

6. Marital status: (Include maiden name of wife or husband's name.)

7. Names and ages of children:

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)

Sept 1986-May 1988: Harvard Graduate School of Business Administration
Boston, MA
Masters of Business Administration (MBA) - May 1988

Sept 1980-May 1984: Wesleyan University
Middletown, CT
Bachelor of Arts (BA) - May 1984

Oct 1982-July 1983: The London School of Economics and Political Science
London, England
General Course Certificate - July 1983

Sept 1977-May 1980: The Dalton School
New York, NY
High School Diploma - May 1980

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)
- 1999 – Current: Bank of America Merrill Lynch
Executive Vice Chairman, Global Corporate & Investment Banking
New York, NY
- 1998 – 1999: SG Cowen Securities Corporation
Managing Director
New York, NY
- 1994-1998: UBS Securities LLC
Managing Director; Co-Head Mergers & Acquisitions Group
New York, NY
- 1992 – 1994: Berenson Minella & Company
Partner
New York, NY
- 1988-1992: Wasserstein Perella & Co., Inc.
Vice President
New York, NY
- 1984-1986: The First Boston Corporation
Analyst, Investment Banking Department, Mergers & Acquisitions
New York, NY
10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)
- None.

11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.)

Bank of America Merrill Lynch – Executive Vice Chairman, Global Corporate & Investment Banking

A. U. 2006 Dynasty Trust – Trustee

S. Family Trust – Trustee

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Lincoln Center for the Performing Arts – Board Member
June 2005 – January 2013

Harvard Club of New York City – Member
June 2007 – Present

Town Tennis Member Club, Inc. – Member
August 2000 – Present

Harmonie Club of the City of New York – Member
January 1992 – Present

Services for the UnderServed – Board Member (charitable organization)
July 2012 – Present

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate.

None.

- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None.

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

None.

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)
None.
15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)
None.
16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)
None.
17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

Throughout my career, I have built and maintained strategic relationships with senior executives of companies throughout the world. I have advised clients on how to capitalize on global investment opportunities, and I have worked directly with companies as they combined their businesses and organizations to form new ventures. I have negotiated complex agreements, facilitated deals, and advised on combinations among international and domestic entities resulting in an expanded global presence and greater market opportunities for my clients. This experience will serve me well if I am confirmed as the Under Secretary of Commerce for International Trade.

If confirmed, I will work closely with the International Trade Administration's senior leadership and ITA's global market and industry sector experts to develop and implement the strategies needed to expand U.S. exports and create jobs. My experience directing global teams across industries while serving as Executive Vice Chairman of Global Corporate and Investment Banking at Bank of America Merrill Lynch provides me with the skills to lead and manage an organization of over 2,500 people with a global footprint. If confirmed, I look forward to helping U.S. companies introduce their products and services to new markets and grow their presence in existing markets.

Another component of the position to which I have been nominated is to attract, retain, and expand foreign and domestic investment in the United States. I have spent my career facilitating strategic transactions for global businesses, including advising foreign companies making direct investments into the U.S. If confirmed, I will use my expertise in negotiating, marketing, and relationship building to assist U.S. businesses, economic development organizations, municipalities, and other entities to best position themselves to potential investors. Throughout my career I have done deals that have

helped strengthen local economies and create jobs, and I am confident I can do the same at the International Trade Administration.

I offer nearly 30 years of business and financial experience guiding companies to greater levels of success, and I am grateful for the confidence that President Obama and Commerce Secretary Pritzker have in my ability to lead the International Trade Administration into the future, if I am confirmed.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.
Yes.
2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.
No.
3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.
No.
4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.
Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.
In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Commerce's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.
2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an

agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Commerce's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

None.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with **two** copies of any trust or other agreements.)

In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of Commerce's designated agency ethics official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of an ethics agreement that I have entered into with the Department's designated agency ethics official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.
6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court,

administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None to my knowledge.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.

UNITED STATES SENATE
COMMITTEE ON FINANCE
HEARING TO CONSIDER THE NOMINATION OF STEFAN M. SELIG
MAY 8, 2014
QUESTIONS FOR STEFAN M. SELIG

Questions from Chairman Wyden

Question 1: Trade Enforcement

Trade enforcement is a top priority for me. ITA has an important role to play supporting USTR and CBP in their respective enforcement roles. But ITA has the lead in applying our trade remedy laws to ensure that U.S. companies are not harmed by unfair trade practices. So as head of ITA, I'll be counting on you to help make sure trade is done right and our trade remedy laws are enforced as intended.

I know that this is not your technical experience, but if confirmed, how will you ensure that your staff applies the trade laws in an objective manner, as written, and that unfair trade practices are pursued to the fullest extent of the law, without consideration for political or other ancillary factors?

Answer:

The enforcement of trade rules is critical to the smooth functioning of an open global trading system and ensures that U.S. companies have the opportunity to compete on a level playing field. ITA's Enforcement and Compliance unit promotes the creation and maintenance of U.S. jobs and economic growth by responding to unfair trade practices with effective application of our trade remedy laws consistent with the governing statutes. If confirmed, I will continue the Department's strong commitment to vigorous enforcement, and to assist small and medium sized companies to ensure they can succeed in local and foreign markets.

Question 2: Trade Promotion

In Oregon, we know how to export. \$24.7 billion worth of Oregon products are sold to customers in 203 countries around the world.

And the more we can sell abroad, the more folks here in the United States will benefit from trade – exporting plants pay on average up to 18 percent more than similar jobs in non-exporting plants, increase employment two to four times faster, and are less likely to go out of business.

Can you talk about the ways in which Commerce is already helping U.S. companies to access foreign markets, and what you could do even better in this regard? As a manager, how will you be sure that field offices are deploying their resources with maximum effectiveness?

Answer:

ITA leads trade missions, brings foreign buyers to the U.S. to meet with prospective business partners, sets up match-making sessions and provides educational assistance and outreach to U.S. companies just to name a few ways they help American businesses.

Additionally, as I understand it, on an annual basis, ITA conducts a careful and thorough data-driven analysis of its global footprint to determine how to allocate resources to the highest priority markets where business opportunities and demand for its services are greatest. If confirmed, I look forward to visiting ITA's domestic and overseas network of offices to help them become even more effective in serving their clients.

Question 3: SMEs

As the ITA Undersecretary, you will oversee the USG's resources for understanding how trade impacts U.S. businesses, including small businesses that cannot easily bring their own message to Washington. For instance, 90 percent of Oregon exporters are SMEs, and these companies account for more than 30 percent of Oregon's merchandise exports by value. This is a big deal – our trade negotiators need to understand how globalization impacts these companies, and these companies need to understand how they can be most competitive in a globalized marketplace where some countries are dismantling trade barriers and others are putting up new ones.

How do you plan to deploy ITAs resources – including the foreign and domestic field staff -- to provide USTR with the information it needs to ensure that trade agreements support U.S. small and medium enterprises and to ensure that those businesses and their workers understand how to benefit from the agreements that USTR negotiates.

Answer:

I know that ITA and USTR are in continuous contact on a variety of important trade related issues and topics. I will be sure that my team continues this strong working relationship, which benefits American businesses and its workers. Furthermore, as I understand it, ITA staff in the domestic field coordinate closely with ITA international staff to help their clients, especially small- and medium-sized enterprises, identify new markets where there is potential for their products and services.

If confirmed, I look forward to working closely with the USTR to ensure that the interests of small- and medium-sized businesses are taken into account when negotiating trade agreements.

Questions from Senator Hatch**Question 1:**

We learned at your nomination hearing that you are an investor in a partnership named Sun Capital Partners V, which is domiciled in the Cayman Islands. On your “Executive Branch Personnel Public Financial Disclosure Report” which is available for public inspection, there is an entry on page 23 which reads, “Sun Capital Partners V, LP (see attachment 2), Boca Raton, FL.” Why does the public financial disclosure read “Boca Raton, FL,” when the fund is domiciled in the Cayman Islands?

Answer:

The Sun Capital Partners website lists their Corporate Headquarters as: 5200 Town Center Circle, Suite 600, Boca Raton, FL 33486. I used this address to fill out the Executive Branch Personnel Public Financial Disclosure Report.

Question 2:

Your ethics agreement, which is available for public inspection, notes that “I have unvested Bank of America restricted stock units. Per established company policy and as part of my deferred compensation plan, upon retirement all unvested restricted units will vest immediately. I will receive shares of stock and cash payments for these restricted stock units on an annual basis through 2016.” Though ethics official have approved your ethics agreement, what steps will you take to ensure you will not participate in any matter that has an effect on Bank of America? Given you do not know all of the matters you will be tasked to deal with if confirmed, and given that Bank of America’s financial interests may change over the course of the years in which you will collect deferred compensation, how will you ensure that your ethics pledge is enforced?

Answer:

Pursuant to my Ethics Agreement, I have agreed that I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Bank of America, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). I will monitor all matters that come before me to ensure that my participation in the matter will not violate my Ethics Agreement and my staff will also be briefed on the restrictions I am subject to under the Agreement. This agreement has been reviewed by the Office of Government Ethics and the designated agency ethics official at the Department of Commerce to ensure I am in compliance with all applicable ethics laws and regulations. I will also consult with the Ethics Law and Programs Division if it is unclear whether my participation in a particular matter will have a direct and predictable effect on the financial interests of Bank of America.

Question from Senator Cantwell**Question 1**

According to the International Trade Administration, a total of 12,677 companies exported from Washington locations in 2011. Of those, 11,451 (90.3 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated over one-quarter (26.1 percent) of Washington's total exports of merchandise in 2011. Some of the barriers to access to international markets have been noted as: shortage of capital to finance exports; problems identifying foreign business opportunities; limited information to locate and analyze markets; inability to contact potential foreign customers; and lack of managerial time, skills, and knowledge.

The middle class is growing in emerging markets. With Ernst & Young estimating that by 2030, two-thirds of global middle class will be in Asia-Pacific. Small business are important to domestic growth - according to the Small Business Administration, small firms accounted for 64 percent of the net new jobs between 1993 and 2011 (11.8 million of the 18.5 million net new jobs). If confirmed as Undersecretary, how will you work to get more U.S. small businesses to export their goods, and especially, to new markets?

Answer:

If confirmed, I will continue the Department's strong commitment to assisting small and medium sized businesses to succeed in the global marketplace. ITA offers several services to increase small businesses market access and penetration including, among others: world-class market research reports; trade promotion events; introductions to pre-qualified foreign buyers and distributors and offering SME's counseling and advice through every step of the export process. ITA also offers a one-on-one service called Gold Key that sets up individual meetings and introductions for companies. This is especially helpful to small businesses that often do not have the resources themselves for this kind of in-depth market penetration. If confirmed, I look forward to working with you to help U.S. small businesses export more.

Question from Senator Casey**Question 1**

Some of our foreign competitors are intent on circumventing the laws and rules, to the detriment and serious injury to American companies and American workers. Case in point is the pending Oil Country Tubular Goods - steel tubes used in the extraction of oil and natural gas - dumped by South Korean companies through a clever, dynamic maze of affiliated and related companies. We promised our constituents and our communities that the international trade agreements, which opened up our markets to foreign products, would level the playing field - through transparent, rules-based, and fair competition on our market.

How are you going to ensure a fair and level playing field in our own market?

Answer:

I fully appreciate your concerns and understand this issue is very important to you and your constituents. I understand that the Commerce Department is currently undertaking antidumping and countervailing duty investigations of the imports of Oil Country Tubular Goods. As I have stated, I am committed to the vigorous enforcement of our trade laws and trade agreements to help ensure a fair and level playing field for U.S. firms and workers.

I am committed to working with ITA's Enforcement and Compliance business unit to ensure all safeguards are taken to enhance the competitive strength of U.S. industries against any unfair trade practices.

Questions from Senator Grassley**Question 1:**

Until recently, an issue of great concern to this Administration has been offshore investments located in tax havens. On the campaign trail the President called into question the character of those with offshore accounts. Since his reelection, he has repeatedly nominated individuals to his Administration that have the same sort of investments he has regularly demonized. According to your financial disclosures you are currently invested in an investment fund housed in the Cayman Islands. This investment fund was not originally located in the Walker House, but has since made the walk down the street and around the corner to the infamous Ugland House.

- a. By investing in this offshore Cayman Islands fund, haven't you participated in what the President has called the "largest tax scam in the world?"

Answer:

I have paid all taxes on my investments and believe that I received no tax benefits as a limited partner in these investments as a result of their offshore status.

- b. When you disclosed your investment to the White House, did they raise any concerns?

Answer:

No.

- c. The amount of money you invested in this fund would be a significant amount of money to the average person. The average person would have a hard time understanding how an individual would not know where they had such a substantial amount invested. Could you help me understand how you were not aware of where your investment was located?

Answer:

All prior Sun Capital funds in which I had invested were domiciled in the U.S. When the General Partner moved the tax domicile for Sun Capital Partners V, L.P. I was not specifically made aware of this change.

- d. Individuals with foreign investments are generally required to make disclosures for each account over \$10,000. Prior to your nomination, did you ever file the required disclosure? If not, why not?

Answer:

Prior to my nomination, I discovered that my Certified Public Accountant was not aware of such filing requirements. I filed all of the appropriate disclosures as soon as practicable thereafter, and before I was nominated for this position.

- e. What penalties, if any, have been assessed against you for failing to disclose this account or any other foreign account you may have failed to disclose?

Answer:

None.

Question 2:

According to an article in the Republic Report written by Lee Fang, Bank of America awarded you more than \$9 million in bonus pay in November 2013 after being nominated for Under Secretary of Commerce for International Trade.

- a. Is this accurate? What was the total bonus payment you received, and what was the purpose of the bonus? Was the bonus in fulfillment of a contractual obligation or a discretionary bonus?

Answer:

No, Mr. Fang's article is not accurate - I did not receive any bonus from the Bank in connection with my nomination. Consistent with Bank of America's ordinary performance management and compensation cycle, I was awarded a \$5,100,000.00 discretionary incentive award in February 2014 for my full-year performance in 2013. I will receive unvested Restricted Stock Units previously granted to me upon my Retirement from the Bank pursuant to the terms of the Bank of America Key Associate Stock Plan Restricted Stock Units Award Agreements.

- b. By awarding you such a large bonus as you were leaving the company, do you have any concerns that Bank of America was seeking to influence your decision making in government service?

Answer:

No.

- c. Did you receive this bonus as a lump sum, or will you be receiving part of this bonus while you are serving as Under Secretary with the Department of Commerce? If you continue to receive payment of this bonus while Under Secretary, does this not raise conflict of interest concerns?

Answer:

Pursuant to the Bank of America Key Associate Stock Plan Restricted Stock Units Award Agreements, I am entitled to continue vesting of my outstanding long-term incentive awards upon my Retirement from the Bank, provided I comply with certain covenants contained in the Agreements. In addition, pursuant to my Ethics Agreement, I have agreed that I will not participate personally and substantially in any particular matter that has a direct predictable effect on the financial interests of Bank of America, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

- d. Did your contract with Bank of America provide any special considerations if you left Bank of America for government service? Please provide the pertinent language from your employment contract.

Answer:

No. I am an employee at will at Bank of America and have no employment contract.

- e. Bank of America received more than \$40 billion in federal funds under the Troubled Asset Relief Program from 2008 to 2009. Did you receive any bonus pay from Bank of America in 2009 or 2010? Please list the amount of the bonus you received each year and the reason for the bonus.

Answer:

Based on my performance, I received incentive compensation of \$8,700,000.00 and \$8,600,000.00 for performance year 2009 and 2010, respectively. Such awards are fully discretionary and determined in accordance with the Bank's pay for performance and compensation governance structures and procedures.

*Darci Vetter
Nominee, Chief Agricultural Negotiator
Oral Statement
Office of the United States Trade Representative
Senate Committee on Finance
May 8, 2014*

Chairman Wyden, Ranking Member Hatch, Members of the Senate Finance Committee, thank you for welcoming me here today. I am honored to be considered by this Committee as President Obama's nominee to be Chief Agricultural Negotiator at the Office of the United States Trade Representative.

I would like to start by recognizing my husband, Jason Hafemeister, who is with me this morning. I am grateful for his sacrifice, support, and flexibility which have made it possible for us to juggle two careers and our two beautiful children.

As an alumna of the Senate Finance Committee, I have had the great privilege of working with many of the Committee Members and staff. During my time at the Office of the United States Trade Representative working on agriculture and environmental issues, and at USDA as Deputy Under Secretary for Farm and Foreign Agricultural Services, it has always been clear that the Executive Branch and Congress must maintain a close working relationship on trade issues. This is a relationship I intend to strengthen in my new capacity, should I be confirmed.

I grew up on a family farm in Nebraska, where my family also operates a grain processing business that exposed me to the benefits of trade at a very early age. In the 1980s, at a time when many farmers were moving off the farm, my family found foreign markets to sustain our family business. Some of our first foreign customers were tofu makers in Japan, who were willing to pay a premium for our high quality soybeans. Today our family business has nearly 30 employees, thanks, in part, to open and reliable overseas markets.

Through my personal and professional experiences, I have witnessed the benefits of trade for American agricultural producers firsthand. I am committed to leveling the playing field for our farmers and ranchers, and holding our trading partners accountable by enforcing trade rules to ensure our products are treated fairly. Using all the tools at our discretion, including the dispute settlement body at the World Trade Organization, I intend to press our trading partners to make decisions based on science and eliminate unwarranted sanitary and phytosanitary (SPS) measures that restrict safe, wholesome U.S. agricultural products from entering their markets.

The United States is the world's largest agricultural export economy. U.S. food and agricultural exports reached an all-time high in 2013, accounting for \$148 billion in exports. I believe there is much more we can accomplish.

If confirmed, I am excited to join a dedicated team that is working on one of the most ambitious trade agendas in decades. The trade agenda holds great potential for ‘Made-in-America’ agricultural products.

I am committed to advancing our ongoing negotiations – TPP and T-TIP – where we are pursuing high-standard trade agreements that will create significant new market access opportunities for U.S. agriculture. Eliminating tariffs and unwarranted SPS and TBT barriers on agricultural products will ensure our agricultural producers can continue to export high-quality, safe American food and agricultural products.

Finally, I also look forward to working with you Chairman Wyden, Ranking Member Hatch, and the Committee to secure Trade Promotion Authority that has as broad bipartisan support as possible.

If confirmed, I look forward to working with Ambassador Michael Froman and Congress to further opportunities around the world for U.S. agriculture. Again, I thank the President for this opportunity and the Committee for considering my nomination. I am happy to answer any questions you may have.

**SENATE FINANCE COMMITTEE
STATEMENT OF INFORMATION REQUESTED OF NOMINEE**

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.). Darci Lynn Vetter
2. Position to which nominated: Chief Agricultural Negotiator, Office of the U.S. Trade Representative
3. Date of nomination: 1/7/14
4. Address: (List current residence, office, and mailing addresses).

5. Date and place of birth: 8/1/74, Kettering, Ohio
6. Marital status: (Include maiden name of wife or husband's name.)

7. Names and ages of children:

8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.).

Aurora High School, Aurora, NE. Attended 1989-1992, received high school diploma, May 1992

Drake University, Des Moines, IA. Attended 1992-1996, received Bachelor of Arts degree, May 1996

Princeton University, Woodrow Wilson School, Princeton, NJ. Attended 1998-2000, received Master of Public Affairs degree and Certificate in Science, Technology, and Environmental Policy, June 2000

9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)

February 2010- present: Deputy Under Secretary, U.S. Department of Agriculture, Washington, DC

July 2007-February 2010: International Trade Advisor, Senate Finance Committee majority staff, Washington, DC

Sept 2005-July 2007: Director for Agricultural Affairs, Office of the U.S. Trade Representative, Washington, DC

July 2001-Sept 2005: Director for Sustainable Development, Office of the U.S. Trade Representative, Washington, DC

March 2001-July 2001: Environment, Science and Technology Officer, U.S. Consulate, Hong Kong (temporary assignment)

July 2000-March 2001: Special Assistant to the Under Secretary for Management, U.S. Department of State

June 1999-Aug 1999: Policy Intern, Palestine Hydrology Group, Ramallah, Palestinian Territories

June 1997-June 1998: Assistant to the President, Children's Memorial Foundation, Children's Memorial Hospital, Chicago, IL

June 1996-June 1997: Truman Fellow, National Rural Development Partnership, Washington, DC
10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.)

None.
11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation,

company, firm, partnership, other business enterprise, or educational or other institution.) None (assuming this question refers to paid positions--volunteer positions listed below.).

None.

12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.)

Advisory Committee Member, Scholars in the Nation's Service Initiative,
Woodrow Wilson School, Princeton University

Advisory Committee Member, Donald V. Adams Leadership Institute, Drake
University

Harry S. Truman Scholarship Foundation, Finalist Selection Panel Member

Truman National Security Project, Fellow

Trade Policy Forum, Member

13. Political affiliations and activities:

- a. List all public offices for which you have been a candidate. N/A
- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.
None
- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

2012:

Barack Obama for President, \$3500, spouse \$200

Heidi Heitkamp for U.S. Senate, \$700

Jon Tester for U.S. Senate, \$750

Bob Kerrey for U.S. Senate, 750

2008:

Barack Obama for President, \$450

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)

Phi Beta Kappa

Harry S. Truman Scholar, 1995

Drake University Oren E. Scott Award for Outstanding Senior, 1996

Donald Stokes Prize, Woodrow Wilson School, Princeton University, 2000

15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)

None.

16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with **two** copies of each formal speech.)

I have done my best to identify all formal speeches relevant to the position. I have located the following:

9/16/11	Global Food Safety Policy Forum
9/19/11	International Egg Commission 2011 Conference
3/5/12	Land O'Lakes Executive Producers Meeting
4/10/12	Corporate Council on Africa Forum on Nigeria
6/6/12	Distilled Spirits Council Legislative Policy Conference
7/10/12	American Soybean Association Legislative Conference
9/17/12	2012 Midwest U.S.- Japan Association Conference
11/14/12	Codex Committee on Food Hygiene
11/27/12	U.S. Agricultural Export Development Council
1/29/13	U.S. Wheat Associates Winter Board Meeting
2/11/13	U.S. Grains Council
3/18/13	National Grain and Feed Association
3/22/13	U.S. Apple Association
3/28/13	Women in International Trade
3/28/13	Corporate Council on Africa Agribusiness Working Group
6/17/13	38th FAO Conference – Intervention
6/17/13	38th FAO Conference – CODEX 50th Anniversary
11/21/13	MAIZALL (U.S Grains Council)

11/22/13 China's Development Research Center, Food Security Summit
11/22/13 China's Development Research Center, Food Security Summit

17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

I have been building my experience and expertise in agricultural and trade policy since I first joined USTR in 2001. Since that time, I have had the privilege of working on these issues in the executive branch at USTR, on Capitol Hill as a member of the majority staff of the Senate Finance Committee, and for the past 3.5 years, as Deputy Under Secretary for Farm and Foreign Agricultural Services at USDA. In my current position, I provide strategic direction on USDA's role in trade policy, agricultural trade promotion, and capacity building activities to help developing countries participate in the international trading system. In each of these positions, I have built and maintained strong relationships with colleagues in other government agencies and Congressional offices, with industry stakeholders from a wide swath of the agricultural community, and with non-governmental and private voluntary organizations. Utilizing my public policy experience and these strong working relationships will provide a foundation for achieving the best results possible for U.S. agriculture.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details.

No. I am currently employed by USDA. If confirmed as the Chief Agriculture Negotiator, I will need to coordinate closely with USDA to ensure that agriculture interests are best represented in trade negotiations.

2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details.

No.

3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details.

No.

4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain.

Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None.

2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.

I may have signed mass petitions pertaining to particular legislative matters, but cannot recall any other activity, outside of Federal Employment, of a more specific nature.

4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with **two** copies of any trust or other agreements.)

I will resolve any conflicts in accordance with my ethics agreement and in consultation with my designated agency ethics official.

5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.

6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

None to my knowledge.

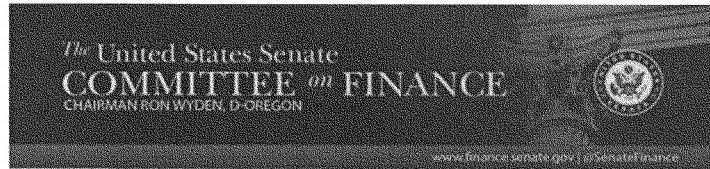
E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so?.

Yes.

2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees?

Yes.



May 8, 2014

Wyden Hearing Statement on Commerce, USTR, SSAB Nominees

The committee has before it today five nominees, all of whom have exceptional backgrounds and expertise in their fields. Their commitment to public service is truly admirable and an example for all to follow.

First up is Stefan Selig, who is nominated to be Under Secretary of Commerce for International Trade. In this role, Mr. Selig would oversee the International Trade Administration at the Department of Commerce. ITA's focus is on the competitiveness of American businesses. The agency plays a key role in American trade policy by working with the private sector to identify export and investment opportunities and by enforcing our trade remedy laws that are central to combating unfair trade.

Mr. Selig is well-suited to take on this challenge. He knows how to navigate the global economy and understands what businesses need to be competitive. If confirmed, he must ensure that we step up enforcement of our trade remedy laws.

Next we have Darci Vetter, a Finance Committee alum, who has been nominated to be Chief Agricultural Negotiator at the Office of the United States Trade Representative.

If confirmed, Ms. Vetter will have the important task of being the lead trade negotiator to take on the tariff and non-tariff barriers that are imposed all over the world on American agriculture exports. The U.S. has an ambitious trade agenda with important agriculture negotiations taking place among the world's biggest and most dynamic markets. It will be important for the United States to have a skilled hand in these negotiations, and Darci is the right person at the right time.

Right now, for example, the U.S. is in the middle of important, yet difficult, negotiations with Japan and other Trans Pacific Partnership participants regarding America's most important agricultural crops: wheat, dairy, poultry. We will be relying on Darci to push for the comprehensive and ambitious outcome that our farmers and producers expect and our economy needs.

Also with us today are three nominees for the Social Security Advisory Board: Drs. Henry Aaron, Lanhee Chen, and Alan Cohen. The board is responsible for advising the President and Congress on Social Security policy, and regularly makes important policy recommendations to enhance economic security for individuals, maintain the solvency of Social Security programs, and improve service for beneficiaries.

All three have excellent credentials and, if confirmed, will bring an impressive and diverse set of perspectives to the board.

The board plays a key role in the Social Security policy process, producing top-notch, bipartisan reports on a range of issues. And yet, the board has not had a full seven members since September 2008. This is unacceptable given the numerous challenges facing the program today and in the future. Congress certainly shares some of the blame, but we now have a chance to set things straight.

First, we have Henry Aaron. Dr. Aaron has had an illustrious career in both the public sector and academia, including over 45 years with the Brookings Institution. I commend the President for his excellent choice. Dr. Aaron is one of the country's foremost experts on Social Security, and his many publications and contributions to the program make him an invaluable asset.

I'm also disappointed to note that this is Dr. Aaron's second appearance before the committee. His previous SSAB nomination was the first ever to have votes against in committee, and I think that is unfortunate. We have three SSAB nominees before us today. They are all well-qualified and hold strong views. We may disagree with those views, but that disagreement should not cause us to oppose their service on this important, bipartisan advisory board. I urge my colleagues to support all three nominees so we can get the board back to full strength.

Next is Lanhee Chen, also nominated to the SSAB. Dr. Chen has a stellar academic record and has made valuable contributions in a number of policy fields, including Social Security. If confirmed, he will bring a distinct and valuable perspective to the board.

Finally, we have Alan Cohen. Dr. Cohen has had a long and prestigious career in public service, including over a decade here on the Finance Committee. His knowledge of budgetary matters and Social Security is simply unmatched. And his wide range of experiences in both Congress and the federal government give him a level of expertise and insight the board will surely benefit from.

In short, all of the nominees here today are well-qualified to take on the challenging tasks before them. I hope to see them confirmed as soon as possible.

###

